

JPRS 77003

15 December 1980

West Europe Report

No. 1639



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

15 December 1980

WEST EUROPE REPORT

No. 1669

CONTENTS

ENERGY ECONOMICS

INTERNATIONAL AFFAIRS

Statistics on Energy Consumption for EEC (1977-1980) (RASSEGNA PETROLIFERA, 31 Oct 80).....	1
--	---

COUNTRY SECTION

INTERNATIONAL AFFAIRS

Dispute Over Gas Field in Denmark Could Affect Sweden (Bo Engzell; DAGENS NYHETER, 30 Oct 80).....	6
Norway's Statoil Joins Volvo, SP for Marketing in Sweden (Per Sjogren; DAGENS NYHETER, 31 Oct 80).....	8

CANADA

Quebec Papers Comment on Constitutional Problem (Various sources, 22, 24 Oct 80).....	10
Difficult Position of Quebec Period of Suspense	
Economic Policy of PQ Government Criticized (Editorial, Ivan Guay; LA PRESSE, 20 Oct 80).....	14

DENMARK

Faeroes Party Leader Wants Islands Independent (Erlendur Patursson; INFORMATION, 23 Oct 80).....	16
Greenland Trade Monopoly Prepares To Dissolve Self (BERLINGSKE TIDENDE, 29 Oct 80).....	20

Industry Council Reports Precipitous Drop in New Orders (Frank Dahlgaard; BERLINGSKE TIDENDE, 13 Nov 80).....	21
Briefs	
Reporters Join Security Council	23
Greenland Home Rule Committee	23
FEDERAL REPUBLIC OF GERMANY	
SPD, FDP Continue To Disagree on Codetermination (DER SPIEGEL, 10 Nov 80).....	24
FINLAND	
Belt-Tightening Over Many Years Begins To Pay Off (Per Sjogren; DAGENS NYHETER, 28 Oct 80).....	26
Poll Finds Greater Fear of Large-Scale Conflict (HELSINGIN SANOMAT, 31 Oct 80).....	32
New Books Deal With Chairmen of Communists, Conservatives (Jouko Tyyri; KANAVA, No 8, 1980).....	34
FRANCE	
Francois-Poncet Interviewed on Foreign Policy Directions (Jean Francois-Poncet Interview; LE FIGARO MAGAZINE, 8 Nov 80)	39
SOFRES Poll Shows Unemployment Electorate's Main Concern (Charles Rebois; LE FIGARO, 8-9 Nov 80).....	45
Fiszbin Says PCF on Wrong Track, Advocates Union With PS (Henri Fiszbin; LE MONDE, 11 Oct 80).....	49
Briefs	
Metal-Supply Seminars	53
Police Coordination Priority	53
Army Recruitment Efforts	53
GREECE	
Italy Signs Agreement for Manufacture of Aircraft Spare Parts (BUSINESS & FINANCE, 8 Nov 80).....	54
ICL Annual Convention in Athens (BUSINESS & FINANCE, 8 Nov 80).....	55
Athens Metro Expansion Status Reported (BUSINESS & FINANCE, 8 Nov 80).....	56

NORWAY

Guttorm Hansen, Storting President, Reaches Sixty (Kjell Harberg; AFTENPOSTEN, 3 Nov 80).....	61
Poll Shows Most Against Civil Disobedience (AFTENPOSTEN, 25 Oct 80).....	63
Split in Labor Party Over Stockpiling Worries Supporters (Thorleif Andreassen; AFTENPOSTEN, 25 Oct 80).....	65
Nordli: Most Support Stockpiling (AFTENPOSTEN, 27 Oct 80).....	67
Paper Denounced 'PRAVDA' Attack on Stockpiling Plans (Editorial; AFTENPOSTEN, 30 Oct 80).....	68
Storting Defense Debate Reveals Broad Unity on Issues (Nils Ottar Ask; ARBEIDERBLADET, 25 Oct 80).....	70
Strategic Importance of North Norway Increasing (Pal Nordenborg; ARBEIDERBLADET, 27 Oct 80).....	72
Dispute Over Spending of Oil Income Continues (SVENSKA DAGBLADET, 28 Oct 80).....	75
Fight Over Oil Money, by Bjorn Lindahl Double Stupidity, by Lars Hellberg	
Briefs	
Party Auxiliary Backs Stockpiling	83
Book Against Stockpiling	83
Party Leader Backs Stockpiling	84
Stoltenberg Denounces Chemical Weapons	84

PORTUGAL

Eanes Outlines Presidential Duties, Programs, Guidelines (DIARIO DE NOTICIAS, 19 Nov 80).....	85
--	----

SPAIN

New PCPV Secretary General Galan on Party's Philosophy (Pepe Galan Interview; MUNDO OBRERO, 3-9 Oct 80).....	88
---	----

SWEDEN

Poll Indicates Conservatives' Growth Halted (Sven Svensson; DAGENS NYHETER, 2 Nov 80).....	93
---	----

Paper Questions Ability of Prime Minister Falldin (Sven Nycander; DAGENS NYHETER, 2 Nov 80).....	96
Bohman Foresees Tough Wage Pact Negotiations for 1981 (Sven Svensson; DAGENS NYHETER, 29 Oct 80).....	98
Bohman in Finland Discusses 'Swedish Sickness' (Sven Svensson; DAGENS NYHETER, 28 Oct 80).....	101

STATISTICS ON ENERGY CONSUMPTION FOR EEC (1977-1980)

Rome RASSEGNA PETROLIFERA in Italian 31 Oct 80 pp 939-941

[Text] The European Community energy situation in the 1979-1980 2-year period shows, according to recent estimates, an appreciable increase in consumption in general in 1979 in comparison with a substantial stability for 1980. Nevertheless, there still are significant trend lines in the structure of energy requirements coverage, pertaining to a slow but progressive replacement of part of the share of crude oil with a greater contribution by other primary sources of energy.

In 1979, demand by the Community reached 985 million tep [oil equivalent tons], with a 5-percent increase over the previous year, while, for 1980, an increase of only 0.2 percent is estimated. The 1979 demand was marked by severe winter climate conditions and by a Community economic expansion measured by a gross domestic product that increased 3.3 percent.

With regard to the general increase in primary energy sources, domestic oil consumption increased 2.7 percent, while coal increased 9.4 percent and natural gas 7.6 percent. Consumption of electricity also increased around 5 percent. On the other hand, for 1980, as can be seen in table 1, an increase of about only 1.2 percent is forecast in the PIL [Gross Domestic Product]. In spite of this, it is seen how the requirement for petroleum products should decrease 2 percent. These estimates are, however, very sensitive to possible variations in the economic trend. In fact, a 1-percent increase in the PIL might lead to greater oil consumptions amounting to close to 10 million metric tons.

Table 1: Domestic Consumption of Primary Energy in the European Community

	1977		1978		1979 estimates ¹		1980 forecasts	
	M tep	%	M tep	%	M tep	%	M tep	%
Coal	172.7	18.9	175.1	18.7	191.6	19.4	191.0	19.3
Lignite	26.8	2.9	26.8	2.9	27.9	2.8	27.9	2.8
Petroleum	493.5	54.1	511.6	54.5	525.4	53.3	517.0	52.4
Natural gas	154.2	16.9	160.7	17.1	172.8	17.5	178.0	18.0
Nuclear energy	26.2	2.9	28.5	3.0	31.3	3.2	39.0	4.0
Hydroelectric, geothermal and other energy	39.2	4.3	35.3	3.8	34.1	3.5	34.2	3.5
Total ²	912.6	100.0	938.0	100.0	985.0	100.0	987.1	100.0

¹ Provisional data

² Including other fuels

The data in the table confirm the decreasing part played by petroleum in total consumption, a part that is, however, still greater than 50 percent of the energy requirements. The 1978 [sic] percentage reduction, which is also forecast for 1980, can be attributed to greater consumption of coal and natural gas, while the role of nuclear energy still seems to be modest and the role of other sources seems to be decreasing absolutely also. In spite of that, oil, in the EEC, went up about 3 percent, attaining a total consumption of 525 million metric tons, a level higher than the 500 million set as an objective but regarded as higher than the anticipated consumption for this year.

In this context, domestic crude production increased by a good 40 percent, attaining 89 million metric tons, in comparison with 64 million in 1978, with a forecast of reaching about 93 million at the end of 1980. This increase pertains to the first years of complete production of the four North Sea deposits that began to be exploited in 1978 (Ninian, Thistle, Heather, Dunlin). Overall, Community production of oil covered 16 percent of the total requirements, with imports amounting to close to 475 million metric tons.

Tables 2 and 3, respectively, show the variations in the PIL and consumption from 1977 to 1980 and a production-import comparison for the various primary sources. Thus, the increase forecast for nuclear energy and natural gas in the current year is noted and the considerable recourse to imports with regard to this last mentioned energy source. Expansion of oil consumption in 1979 was recorded especially for diesel fuel and fuel oil, with considerable differences between the various countries. For example, with regard to gasoline on the Community level, there was a 2-percent increase in consumption, the average between the +6 percent of our country and the stationary sales in France and Germany.

With regard to fuel oil, there was a doubling of consumption in Holland in replacement of natural gas fired electric powerplants, with a limited increase in France and Belgium. On the average, in the Community member countries, utilization of the total installed refining capacity increased 75 percent since 1966. With regard to natural gas, the 7.6-percent increase in consumption in 1979 in comparison with the previous year, owing in part to the severe winter in the northern countries and to the advantage in terms of price, is averaged between the greatest demand in Germany (+12 percent), England (+8 percent), Belgium (+9 percent), France and Holland (each + 5 percent).

Holland's production represents almost half of the Community's gas and appears at almost constant levels (compared with production decreases in 1979 in France, Italy and England, respectively 2 percent, 5 percent and 1 percent), while imports from third countries increased appreciably. In 1979, the amounts imported equalled 22 percent of the total consumption (table 3) with a 23-percent increase in 1978, a year in which a 75-percent increase had already occurred. The leading importing country is Germany, for about a third of the total, while the suppliers are Norway (with about 50 percent), the Soviet Union (38 percent), Algeria and Libya. These supplies are going to cover expansion of demand, making it possible to maintain domestic resources to a considerable degree (37 million Tep in 1979).

For 1980, the Community estimates pertain to a subsequent 20-percent increase in imports, with a slacking off of local production and maintenance of the main trends in utilization. With regard to use, the industrial sector, in 1979, absorbed

about 43 percent of final consumption and showed a 15-percent increase in its own demand, with a +13 percent in energy uses and +12 percent in domestic use.

In our country as well as on the Community level in 1979, there was a sharp increase in consumption of coal that can be observed from the data given in table 4. The largest use of 21 million metric tons, for a total of close to 308 million metric tons (191 in tep) occurred in the production of electricity, especially in England.

Table 2: Percent Variations in the PIL and Energy Consumption

	1978-1977	1979-1978 estimates*	1980-1979 forecasts
Gross Domestic Product	+ 3.1	+ 3.3	+ 1.2
Domestic energy consumption including	+ 2.8	+ 5.0	+ 0.2
oil	+ 3.7	+ 2.7	- 1.6
solid fuels	+ 1.4	+ 9.4	- 0.3
natural gas	+ 4.2	+ 7.6	+ 3.0
nuclear energy	+ 8.8	+ 9.8	+24.6
hydroelectric, geothermal and other energy sources	- 9.9	+ 1.2	+ 0.3

* Provisional data.

Table 3: Energy Supply in the Community (millions of tep)

	1977		1978		1979 ¹		1980	
	Pro- duction	Net im- ports ²	Pro- duction	Net im- ports ²	Pro- duction	Net im- ports ²	Pro- duction	Net im- ports ²
Solid fuels	174.3	27.5	172.3	24.8	173.8	29.5	175.6	38.3
Oil	48.6	480.0	63.6	472.1	89.0	474.7	93.6	460.0
Natural gas	139.4	16.6	133.0	29.6	137.1	37.2	128.0	51.8
Primary electricity and so on	61.6	3.9	60.7	3.1	62.8	2.8	69.9	3.3
Total	423.9	528.0	429.6	529.6	462.7	544.2	476.1	553.4

¹ Provisional data.

² Imports less exports.

On the other hand, in the iron and steel sector, there was a modest increase in demand that compensated, however, for some market contractions. Overall, in comparison with 160 million metric tons in 1978, electric powerplants used 177 million metric tons of coal in 1979, with 77 percent concentrated in England and Germany alone. Iron and steel utilizations showed an increase of approximately 10 percent, for a total of about 77 million metric tons (taking coke into account as equal to coal with a factor of 1.3), while the domestic solid fuel market maintained its trend to contraction, accelerating it.

It is noted how coal production in the EEC countries was and is being forecast in almost constant amounts of 240 million metric tons (148 million tep), compensating for the planned closing of unprofitable pits with greater production in Germany and England. Therefore, the increase in 1979 requirements was met by further imports from third countries, which increased to 58 million metric tons (37 million tep) with a 20-percent increase. Of this amount, almost 29 million metric tons went to electric powerplants and 23 million to coking.

For 1980, it is anticipated that the increase attained in utilization will be almost exhausted and that a modest subsequent consumption will be entrusted to the production of lignite and peat alone. The constant increase in imports will probably be compensated by recourse to the establishment of larger stocks, consumed considerably last year.

Table 4: Summary of the Coal Supply Situation in the EEC (10⁶t = t)

	Pro- duction	Imports	Exports	Stock variations ¹	Domestic consumption
1978					
Coal	238.1	45.3	2.9	+ 5.9	286.4
Coke	65.1	0.8	7.5	+ 3.3	61.7
Lignite + peat	131.8	1.5	--	+ 0.7	134.0
Total in tep ²	172.6	31.1	7.2	+ 5.9	202.4
1979 ³					
Coal	238.7	58.2	2.3	+12.4	307.5
Coke	67.9	0.7	8.0	+ 7.3	67.9
Lignite + coke	133.3	1.9	--	- 0.3	134.9
Total in tep ²	173.8	37.7	7.6	+ 5.7	210.1
1980					
Coal	239.8	64.7	1.7	+ 4.4	307.2
Coke	65.9	0.8	3.6	+ 1.9	65.0
Lignite + peat	139.0	1.9	--	- 0.3	140.6
Total in tep ²	175.6	43.1	3.6	- 0.1	215.0

¹ Including statistical variations, recovery products and small mine production.

² Production of primary energy.

³ Provisional data.

Table 5: Net Electric Power Consumption
(including losses) (in gigawatt-hours)

Year	EUR-9
1977	1,081.5
1978	1,128.6
1979	1,186.1
1980	1,227.6
Variations	
1978-1977	+4.3%
1979-1978	+5.1%
1980-1979	+3.5%

Table 5 contains data pertaining to consumption and production of electricity in the European Community in gigawatt-hours (billions of kilowatt-hours). Since 1977, a constant progression has been noted in consumption with the maximum (+ 5 percent) in 1979, slowed down only in the forecasts for this year. Consumption, especially affected, last year, by poor weather conditions, proves to be very different for the various countries. On the national level, there was greater than average demand in Ireland (+10.6 percent), France and Belgium (+6.6 percent and +6.1 percent), while England and Luxembourg come under lower values (4.2 percent and 2.4 percent). An item that should be stressed is how, in the period involved, and therefore also in 1980, electricity consumption continues to increase at percentage rates higher

than both the increase in the PIL and total energy consumption. It suffices to point out how, for 1980, a 3.5-percent increase is being estimated for electricity compared with only +0.2 percent for the total energy demand.

Table 6: Net Total Electricity Production (in gigawatt-hours)

EUR-9	Total	Distribution by Energy Sources			
		Hydroelectric	Geothermal	Nuclear	Trad. thermal
1978	1,123.6	140.9	2.4	115.1	865.2
1979	1,178.7	139.9	2.4	127.0	909.4
1980	1,223.0	134.9	2.5	159.9	925.7
Variations					
1979-1978	+4.9%	-0.7%	+0.6%	+10.3%	+5.1%
1980-1979	+3.7%	-3.6%	+0.6%	+25.9%	+1.8%
Percent of total					
1978	100%	12.5%	0.2%	10.3%	77.0%
1979	100%	11.9%	0.2%	10.8%	77.1%
1980	100%	11.0%	0.2%	13.1%	75.7%

Because of weather conditions, hydroelectric powerplants furnished 12 percent of the electricity produced, with a decreasing share in the total. Traditional thermal production, in which the use of natural gas is decreasing in favor of petroleum products, is decreasing in percentage only owing to the development of the nuclear source, estimated to be increasing significantly only for 1980. In particular, after an increase of 2,800 megawatts in nuclear capacity in 1979, for a total of 28,800 megawatts, it is anticipated that this year France will increase nuclear production by about 50 percent with new plants.

Overall, by the end of the year, there should be an installed nuclear power of 30,000 megawatts, with an annual production equal to 13 to 15 percent of the total electricity of the nine EEC member countries. Obviously, this level is an average value with regard to the maximum French potential, as a result of the vast, rapid nuclear program imposed and the modest levels of other countries, like Italy, where nuclear energy still plays a very modest part.

10,042

CSO: 3104

DISPUTE OVER GAS FIELD IN DENMARK COULD AFFECT SWEDEN

Stockholm DAGENS NYHETER in Swedish 30 Oct 80 p 34

[Article by Bo Engzell]

[Text] Copenhagen, 29 Oct--Future Swedish natural gas imports could be threatened by a dispute in Denmark between the state and the big A. P. Moller shipping concern. In 1962 the Danish government then in power granted the shipping firm a concession to all oil exploration in Danish waters for 50 years. But now the state wants to take that back and share in the enormous oil profits that are anticipated.

Oil worth several hundred billion kronor is at stake. But A. P. Moller has turned the state down and is threatening to stop drilling for oil and gas. Nationalization of Danish oil could cost Denmark around 150 billion Swedish kronor--money Denmark doesn't have.

A trial lasting many years could result unless the state and A. P. Moller can reach a negotiated agreement within the next few days.

A. P. Moller joined the big "oil sisters," the multinational oil companies, Shell, Texaco and Chevron, and formed a company, the Danish Underground Consortium (DUC).

Sisters Lying Low

It is this company that is in charge of oil exploration. It appears that the multinational oil companies, who are in the majority in DUC, want to lie low for several years with regard to drilling. This despite the fact that many experts believe that the Danish part of the North Sea, which is three times larger than the Norwegian section, contains enormous oil resources, much more than previously suspected.

Now the Danish Government is getting impatient. Nothing is happening--or not much anyway.

Partly because of the unrest on the international oil market and partly because of the national financial situation the Danish government wants to uncover the oil treasure hidden on the ocean floor as quickly as possible.

Therefore the government wants to break the deadlock and nationalize the areas where no search for oil has yet been made but where big deposits can be counted on.

In the talks with A. P. Moller the government is also calling for Danish state ownership of one oil pipeline from the fields where oil is found and a state option on oil so that Denmark's oil and gas supplies can be covered eventually.

Unique Agreement

The Danish state's concession to A. P. Moller is the only one of its kind in the world. In all other countries the state has become involved in prospecting for oil in an entirely different way. Now it seems to be time for a fresh approach even in Denmark. And in other ways it is also felt that the monopoly concession to A. P. Moller and DUC is not good. The company can decide the tempo of oil exploration. Look at Norway! Many companies are involved there. There is competition. The result has been the discovery of many new oil fields and the beginning of commercial exploitation. The oil business is humming in Norway. A growing number of Danes would like that to happen in their country too.

In the negotiations A. P. Moller is bound by the multinational "oil sisters." They are in the majority and decide what to do and what not to do. The oil companies dictate the terms, it is felt.

Many people are probably asking themselves how the Danish government could have given A. P. Moller the oil concession. But it happened back in 1962 and nobody dreamed there would be any big Danish oil finds. And besides at that time Arab oil was very cheap. Danish oil wasn't worth making a fuss about. The area A. P. Moller is now offering to return to the state is almost worthless with regard to oil according to geologists. That is why it is being offered to the state, the poor man at the rich oil company's table.

If further Danish oil prospecting is halted for several years it could affect Sweden too.

Among other things there is the Danish North Sea gas to be delivered in a big pipeline to be constructed under Oresund which should be ready by 1985. Danish and West German gas would be sent to Sweden through the pipelines. The first gas deliveries would go to Skane where they are already marketing Danish natural gas. If there is enough gas. Everything is starting to look a little uncertain.

Things look even gloomier for the construction of an expanded Swedish gas network, also largely based on future Danish extraction of gas finds which may not come about. Plans were being made for extending the natural gas line from Skane to the west coast and perhaps Malardalen too. This can be a problem unless Norway moves in. Soviet gas deliveries via the Danish pipelines are probably many years in the future.

There is also conflict in Denmark about Danish Oil Minister Poul Nielson. "Oil Poul," as he is popularly known, is not regarded as a flexible negotiator.

NORWAY'S STATOIL JOINS VOLVO, SP FOR MARKETING IN SWEDEN

Stockholm DAGENS NYHETER in Swedish 31 Oct 80 p 36

[Article by Per Sjogren]

[Text] Stavanger, 30 Oct--The Norwegian state-owned Statoil will come on the Swedish market in style. Statoil has more than enough oil. Therefore the firm is joining Swedish Petroleum and the newly-formed Volvo Energy to form a joint distribution company.

Representatives of the two Swedish firms are coming to Stavanger Friday and DAGENS NYHETER has been told that an effort will be made to reach an agreement then, at least in principle.

The Norwegians intend to have the Norwegian-Swedish consortium take over an existing distribution network in Sweden. The Norwegians think there are probably too many gas stations in Sweden already.

When the state distribution company, Norwegian Oil (Norol), was formed it started off by buying out BP in Norway. Today Noroil has about a quarter of the Norwegian market.

Statoil already has an agreement with OK [expansion unknown] in Sweden for the delivery of half a million tons of oil a year.

The first production platform in the Statfjord field, the A platform, began production almost a year ago. Thus it has been in production for all of 1980. Statoil also gets oil from other fields in which the company has shares.

This year Statoil got 1.3 million tons of oil from Statfjord but this will increase in a few years to 5 million tons. Counting the oil from other fields Statoil has over 4 million tons of oil in round figures at its disposal this year.

About 3 million tons of oil go to a refinery in Mongstad north of Bergen and it is products from this refinery that Statoil wants to sell in Sweden.

Since the beginning of this year Statoil and Norol have formed a concern owning 70 percent of the Mongstad refinery.

Total annual production of crude oil on the Norwegian continental shelf is rapidly approaching 30 million tons.

"We are not thinking of selling oil or oil products any cheaper in Sweden than we do elsewhere," our Norwegian sources told us. "We can guarantee steady deliveries without political problems and not all oil lands can do that today."

The new executive director of Volvo Energy, Gustav Heiberg Simonsen, would not comment on our information but he confirmed that the company is discussing several different projects with Norwegian Statoil.

Director Simonsen will be attending the meeting in Stavanger on Friday, but he would not confirm that this particular project was involved.

So far Norwegian Statoil has signed only three oil contracts with foreign companies. The state-owned Finnish and West German oil companies, Neste and Veba, have signed contracts for around 650,000 tons a year while Swedish OK is getting much less, 450,000 tons a year.

6578

CSO: 3109

QUEBEC PAPERS COMMENT ON CONSTITUTIONAL PROBLEM

Difficult Position of Quebec

Montreal LE DEVOIR in French 22 Oct 80 p 8

[Text] Step by step, two major events have just accentuated the irreversible character of the constitutional proposals of the federal government. First it was the prime minister who, carrying out the kind of swap which he disapproves of in principle, announced the great concession expected by the NPD and the provinces of the West: he will include in the resolution under study--and therefore will explicitly recognize to the provinces in the future constitution--the right of property and of management of natural resources, including the power to impose an indirect tax. Then it was the speech of Jean-Luc Pepin in the House of Commons: in an almost pathetic speech the minister tolled the bell for the report which bears his name and which had raised so many hopes here. He sadly expressed support for the government resolution, the antithesis of the conclusions which he signed 18 months ago. For Quebec, unfortunately, one must see there a symbol of resignation and renouncement. All the other liberal deputies, with hardly a single exception, support the prime minister.

The already fragile front of the provinces will not last much longer. It will be enough to present a few additional concessions to overturn the situation which still prevailed last week. Everything indicates that Mr Blakeney will still demand that Article 42, which authorizes the federal government to change the constitution by means of a referendum and without the agreement of the provinces, be amended. Once again Mr Trudeau will present a proposal aimed at disarming the opposition aroused by this proposition which threatens to transform the Canadian federation into a unitary State. Other changes, concerning less important aspects, will no doubt be added to the text in the course of discussion in the joint committee, if only to eliminate contradictions, dissipate ambiguities, and clarify the sense of the words.

But the draft will remain the same in substance, and the means chosen to put it into effect will not change. Mr Trudeau, who for the moment can depend on public opinion, has succeeded in disarming the opposition in each of the regions of the country. In Ontario he had already made the supreme concession, since Article 133, which was to be applied everywhere and without which the article on the language of instruction would be pointless, will still affect only Quebec. In spite of the reservations and the denunciations from New York of

Mr Hatfield, New Brunswick can only support the prime minister since the provincial prime minister wants to meet the expectations of his own French-speaking population and, one never knows, to prepare his candidacy for the Canadian leadership of the Conservative Party. Nova Scotia disapproves of the draft in principle but does not dare to appeal the matter. The West will give way after learning of the most recent victory of the NPD on the subject of property rights over natural resources. At the very eastern end of the country there is certainly Newfoundland, which protests in the accents of its young and insolent prime minister. However, the courage of Mr Peckford, his obstinacy in defending the means of livelihood of his island are poorly understood. People are beginning to take him for a singular and slightly hysterical person. Alone with his group in the House of Commons, Joe Clark is still resisting and defends the interests of Quebec. But how much longer can he hold on?

In the middle of this game of dominoes, here is Quebec, soon to be completely isolated. Mr Trudeau has succeeded in delivering a master stroke: he goes over to unilateral action when the federalist opposition to his draft is paralyzed. His analysis is outrageously simple: on the one hand 74 federal deputies from Quebec support the draft and are engaged in promoting it as the logical consequence of the referendum. On the other hand the forces of the government of Mr Levesque constitute a convenient adversary, since he supports the independence of Quebec. Between the two there is, of course Claude Ryan, chief of the Liberal Party in Quebec, who expresses serious reservations regarding federal tactics. But these are not the objectives which count, is that not right?

Moreover, since Mr Levesque does not call for elections because he does not want to give up power to Mr Ryan, it is hard to see how Mr Trudeau could be embarrassed in Quebec. That is where we are. Certainly, the situation could evolve further. But in what way would it change sufficiently to prevent the prime minister of Canada from carrying out in every way the design which he has proposed? In other words how can Quebec as it is now block the resolution on the constitution? Naturally, one can hold parades, organize meetings, prepare petitions and letters to the Queen. That is not without usefulness in mobilizing public opinion. Also, it is necessary to recognize the advantages of a suit before the courts, even for political purposes. However, beyond expressions of indignation which do not interest anyone and protests from trade union groups which the members do not even read, what are the means which are truly available to Quebec, which is decidedly hemmed in by this operation?

There is hardly anything more than the National Assembly of Quebec. The National Assembly could unanimously adopt a resolution requesting the Parliament of Canada suspend the consideration of the draft constitution for reasons which are up to the political parties to enumerate clearly in a solemn text. This recourse to the Canadian Parliament, and even to the British Parliament, would only be fully effective if the people were fully informed and quite appreciated the scope of such an act.

The leader of the Liberal Party has indicated, in the course of an interview on Radio-Quebec on Monday [20 October], that he would not undertake action in common with the provincial government of Quebec because the views the latter holds in its opposition to the draft constitution are not the same as those

which underlie the objections of Mr Ryan. In short, Mr Ryan does not wish to fall into the political trap of the Parti Quebecois. One can understand his motives. But there is a dilemma there. Either to run political risks by accepting tactical alliances in order to defend one's convictions regarding the place of Quebec in a renewed federalism; or to abstain from action and to resign oneself to see such an appeal sent to London. One can understand why the chief of the Liberal Party in Quebec wanted to have elections.

Period of Suspense

Quebec LE SOLEIL in French 24 Oct 80 p A-6

[Text] Undertaken following a misunderstanding, prisoner of a deceptive schedule throughout the summer, continued in September in a climate of carefully planned confrontation, the matter of constitutional reform has begun badly and is continuing in the most disturbing chaos.

In interpreting the "no" vote in the Quebec referendum as support for his plan of limited reform Mr Trudeau since last June has engaged the 11 provincial governments in a course which could only lead to the dead and which we see at present. In requiring the provinces to reach unanimity in less than 3 months on questions which are a matter for strong controversy he determined in advance that the meeting of provincial prime ministers with him in September would be a failure, which would justify, in his view, unilateral federal action. The debate which is going on in the House of Commons crowns this quite indecent scuffle.

In effect the liberals have just brought an end to the discussion by imposing cloture, an act which governments always hesitate to raise because it symbolizes the tyranny of the majority. If the conservatives, and above all their leader, Mr Joe Clark, had no other objective than to delay the debate for strictly partisan purposes, the government could justify its recourse to the gag before public opinion. But that is not the case at all.

On the contrary, the contribution of the conservatives to this debate has been very positive. The amendment which Mr Clark proposed on Wednesday [22 October] to remove from the proposal of the federal government its dictatorial character constitutes an honest compromise.

Rather than impose on the provinces a series of measures whose legitimacy at least five of them challenge, Mr Clark proposed to limit the reform of the constitution to bringing the document home and a formula for its amendment. The other changes in the constitution would be set aside for later consideration, when the Canadians will be able to change their constitution without doing so through London.

Instead of seriously considering this honorable path of retreat the liberals have decided to impose their plan, whatever the price. Not only has cloture just been imposed on the deputies, but one can now foresee that the senators opposed to the draft will have to give way quickly to the liberal majority. Within the committee examining the proposed draft in detail the liberal majority will probably have to use the same procedure to bring an end to the

discussion. As the committee is required to submit its report on 9 December, it is not even certain that the numerous groups or bodies which wish to present their case can be heard.

When debate resumes in the House of Commons, it is inevitable that the steam-roller will resume its work. After having made the matter a question of principle Mr Clark can only with difficulty abandon this fight which he has been carrying on, not so much as to satisfy the narrow, partisan interests of his group but rather to preserve what he considers to be the essence of federalism.

The famous, new, improved constitution, which, in the mind of Mr Trudeau, must finally further unite Canadians and protect the various minorities, will therefore be born in an atmosphere of the most complete disunion, in the midst of lawsuits and thanks to the weight of the ministerial majority.

The obstinacy of Mr Trudeau seems to be so total that it would be naive to hope for some suppleness from him. He has sworn to impose "his" reform, and no one will stop him, at least at Ottawa. But having done this, will he have served Canada as well as he pretends to have done?

As the Pepin-Robarts Commission has well demonstrated, this country is fragile by definition because of its linguistic composition and of the regional power groups which are in competition. Federal power must by nature be conciliatory. If not, it loses the credibility necessary to harmonize conflicting interests. In changing the rules of the game by force, Mr Trudeau accentuates the mistrust of several regions with regard to the central authorities and nourishes divisions rather than easing them.

It is quite late to hope for a change of direction in Ottawa. As time passes, it is becoming more evident that the haste of the liberals was an error, whose consequences will be the opposite from the objective of the prime minister. Instead of cementing the country together, he injures it. That injury will not be easy to treat.

5170
CSO: 3100

ECONOMIC POLICY OF PQ GOVERNMENT CRITICIZED

Montreal LA PRESSE in French 20 Oct 80 p A 6

[Editorial by Ivan Guay: "Mr Parizeau and His Mission Impossible"]

[Text] The market economy as it is in the capitalist world is naturally in the hands of businessmen. The opinions of the latter are therefore important. Thus it is that each year their various organizations submit to the Minister of Finance, prior to the preparation of his budget, a memorandum to present to him their concerns and to make financial suggestions to him. This is what the council of the employers' organization of Quebec did on 10 October. A few days later Minister of Finance Jacques Parizeau responded to the concerns of the businessmen in a speech given before the Chamber of Commerce of Montreal.

Mr Parizeau, who has a greater sense of economic realism than most of his colleagues, recognized at the beginning of his speech, "that the time is well and truly over when one thought that, even in the North American context, stimulative or indicative planning had a future. All of us, whatever the political party to which we belong, have become more modest". This is a rather courageous and unexpected statement in the mouth of a minister whose government considers itself to be social-democratic and seeks to set foot in all the principal sectors of the economy in order to direct its evolution. Of course, the cynics will say, declarations of principle do not cost much, have an excellent effect, and are not carried out by actions, especially among politicians.

One of the principal recommendations of the council of the employers' organization, made to Mr Parizeau, is the necessity for the government to reduce its expenditures in order to be able to reduce taxes with a view to permitting the stimulation of the economy by means of fiscal concessions made to companies which reinvest their profits to increase their production and their productivity. This economic stimulus is, in effect, more effective than the subsidies of the State, which are, moreover, very costly for the taxpayers. Now Mr Parizeau has sought to demonstrate in his speech that his government had begun precisely to turn in this direction. Unfortunately, his demonstration has not been convincing to everyone.

First, the expenditures of the government have considerably increased, rather than diminished. Mr Parizeau has sought to attenuate this fact by emphasizing that the total number of civil servants increased by hardly one percent between 1976 and

1980, whereas the number had increased by 19 percent between 1973 and 1976 under the preceding government. This is a rather specious argument since one can increase salaries and all other expenditures without increasing the number of personnel. Mr Parizeau further stated last year—and correctly, moreover—that the expenditures of the government should not increase more quickly than the gross provincial product. However, the budgetary expenditures this year have already increased by more than 14 percent, whereas the increase in the provincial product will not reach 10 percent.

To justify his record budgetary deficit, Mr Parizeau naturally underlined the competence and the openness of his management of affairs. He says that if he had not begun to fill the actuarial deficit in the State pension fund, his budgetary deficit would have been reduced by a third. He adds that he could have ignored this question, as his predecessors did, and thus leave the taxpayers smiling with satisfaction, unaware of a deficit artificially reduced. Let Mr Parizeau be reassured, intelligent citizens support him on this point, but they will remark to him that he should prove by some measure that they elected a "good government".

Moreover, this measure of healthy financial management is not too much to counterbalance the difficult to excuse failure in the management of the budget of the ministry of education, which has rolled up a deficit of \$500 million [Canadian] in less than 4 years. For a "good government" to repeat the enormous negligence of a "bad government" is to provide proof that governments only differ from each other by their slogans, or something close to that. However this may be, the task of Mr Parizeau in the present circumstances is a "mission impossible". Because even if Mr Parizeau, as minister of finance and president of the Council of the Treasury is the most important personage after Prime Minister Levesque, the whole of the policies of his party and of his government is oriented toward social and cultural problems.

Nothing is more costly than such policies. As the majority of citizens do not yet grasp the full importance and complexity of the economy, they still wish to consume the fruits even before having produced them. Quebec is therefore living above its means, and that situation is translated into budgetary deficits which are growing and less and less possible to reduce.

5170

CSO: 3100

FAEROES PARTY LEADER WANTS ISLANDS INDEPENDENT

Copenhagen INFORMATION in Danish 23 Oct 80 p 4

[Article by Erlendur Patursson; passages between slantlines printed in boldface]

[Text] The republican, Erlendur Patursson, calls the politically noteworthy causes for which he here provides a summary and a background, "Natural Developments in the Freedom Endeavors of the Faeroes Which Can Only Lead To the Establishment of a Free, Independent Faeroese State."

The Faeroese people have never accepted that their country should be a part of the Danish kingdom. After the cessation of the free republic around 1035, the Faeroe Islands became dependent on the Norwegian kingdom, but never became a part of this kingdom. Together with Norway (and Iceland), the Faeroe Islands subsequently became dependent of the Danish kings. However, in actuality, they also were never a part of the Danish kingdom. The annexation did not happen until the time of the Danish constitution, and the constitution was never approved by the Faeroes. The annexing into the Danish empire happened without the Faeroese people's agreement, as a matter of fact, practically without their knowledge.

Not until 100 years after this annexing were the Faeroese people permitted to make a decision regarding this question. It happened at the general election on 14 September 1946. At that time the Faeroese people said "no" to continue to be a part of the Danish kingdom.

However, imperialistic forces in Copenhagen, with the help of a "fifth column" on the Faeroe Islands themselves and through various kinds of manipulation, were able to upset this perfectly legal election and to institute the political status for the Faeroe Islands which the people had rejected. In the "home rule law" which the Faeroe Islands got, it was namely established--in the introduction to the law itself and then twice in the law itself--that the Faeroe Islands are a part of the Danish kingdom. The home rule law is dated 1948.

On the following pages, some of the most important problems which this law has given the Faeroese people, directly or indirectly, will be described. They will be listed in more or less chronological order.

At the time of Denmark's admission into NATO, the Faeroe Islands followed without the question ever being submitted to the Faeroese lagting. Later, military bases were established on the Faeroe Islands and this too was never submitted to the Lagting.

As early as 1940, after England's occupation of the islands--the Lagting declared the country neutral. In 1950, the lagting rejected a proposal for an armed homeguard. After the military bases had become a reality, the lagting protested against these, and in 1970, the neutrality declaration from 1940 and the previously mentioned protest against the military bases, were repeated to the Danish Government.

In the present country ruling parties' collaboration agreement of 1975 and again in the collaboration agreement of 1979, reference is made to the convention of 1970 and it is mentioned that they will endeavor to have it carried out.

The country rule has also brought up this demand to the Danish Government, but has only received evasive answers from that side. Therefore, the Faeroe Islands are still a part of NATO and the military bases are still on Faeroese land--in spite of Faeroese ordinances and protests.

It is no secret that the Danish Government in the past wanted the Faeroe Islands to join the EC and, through official sources, Denmark tried hard to talk the Faeroes into joining. However, this attempt did not succeed, the resistance was much too great and too solid, and after the politicians had stumbled back and forth for a while, the result was that the lagting unanimously agreed to keep the Faeroe Islands out of the EC.

The country ruling parties of that time emphasized that the Faeroes would keep their rights as Danish citizens, even though they, contrary to Denmark, would be outside the EC, and this was confirmed from official Danish side. They stuck to the wording of the home rule law which states that no distinction must be made between the Faeroes and other Danish citizens. Furthermore, within the scope of the agreement regarding mutual fishing rights, which was later entered into between the Faeroe Islands and the EC, it was similarly determined that these rights should not be affected.

However, what has happened now is that neither the Danish Government nor the EC authorities will acknowledge these promises. Since this is one of the big political problems on the Faeroe Islands today, it will here be further illuminated.

Since 1925, the Faeroese fishing boats have been fishing at Greenland's west coast. The fishing has been based on agreements entered into between the Faeroe Island's lagting/country Rule Committee and the Danish Government/the Greenland Country Rule Committee. After Denmark brought Greenland along when it entered the EC, this community got charge of Greenland's fishing waters, and since then, the Faeroe Islands have been forced to negotiate with the EC regarding fishing privileges at Greenland. Until then, Faeroese boats were able to go fishing at Greenland without any objections being raised, but now EC in return demanded fishing quotas for EC boats in Faeroese waters. This means that for each kilo of fish the Faeroes catch at Greenland, they now must pay with a proportional quantity to EC boats in Faeroese waters.

With this, the Faeroese citizenship rights, as far as fishing at Greenland is concerned, have gone by the board.

From Faeroese side, protests have repeatedly been made, referring to previously mentioned promises and to both the scope of agreement with the EC and the home rule law, but with no result.

The political consequences of this will be that we make certain reservations as far as the validity of both the scope of the agreement and the home rule law are concerned and that we consider ourselves justified in seeking other means to get justice.

A third current political question in the relationship between the Faeroe Islands and Denmark is the problem surrounding the underground and the bottom of the sea. It is written in the home rule law that the matter regarding the underground must be the object of further negotiations before a decision can be made whether, and to what degree it can be acknowledged as a Faeroese special concern. Since then, the Faeroese lagting has several times tried to get genuine negotiations about the question started with the Danish Government, but so far only evasive answers have been received.

It is a well-known fact that Greenland did not get the property right to the Greenland underground. The Faeroe Islands strongly suspect that the Danish Government will try to do the same thing here as it did on Greenland. In addition to referring to the wording of the home rule law, reference can in this connection also be made to the EC convention of 1966 which Denmark took part in ratifying:

/"All people can, for their own purpose, freely dispose over their natural wealth and resources.

A people must never be deprived of its means of existence.

Nothing in the convention must be interpreted as a restriction to all peoples' natural rights to full and free enjoyment and use of their natural wealth and resources."/

A fourth question which is of current interest to the Faeroese people is the independent Faeroese representation in the Nordic Council. In 1970, the Faeroes were allowed to be represented in such a way that the lagting got two members included in the Danish delegation and additionally, a member was appointed by the country rule. Immediately after this arrangement became effective, the Faeroese side made it known that it was not satisfied with this arrangement but instead wanted an independent Faeroese representative. This wish was later repeated in unanimous ordinance from the Lagting.

Since 1976, a proposal for independent Faeroese representation has several times been heard in the Nordic Council, but each time it has been defeated. The Nordic Council consists of sovereign states, and since the Faeroes is not a sovereign state, independent representation in the council has not been permitted.

The formerly proposed recommendations have been aimed at changing the agreement regarding the Nordic Council in such a way that the Faeroes could get independent

representation in spite of its dependence on Denmark. This has so far been flatly refused but at the Council's meeting in Reykjavik in March of this year, the Danish Government brought up a proposal to examine how the Faeroes and Greenland could get independent representation in the Council. This proposal is now being discussed by the Council's judicial committee and will probably be placed on the agenda when the Council meets again in Copenhagen in March 1981.

On the background of the current political problems which have been touched here, the following is what the Faeroes want:

1. The Faeroes should cease to be a part of NATO and the established bases must be closed.
2. The promises which Denmark and the EC have given the Faeroes as regards to Danish citizen rights must be redeemed.
3. The Faeroes' property rights to the underground must be acknowledged.
4. The Faeroes must have independent representation at the Nordic Council.

All these questions are of vital importance to the Faeroese people, its existence and its natural rights as a people.

As far as the problems surrounding the Faeroese fishing rights at Greenland are concerned, it must be emphasized that these problems have emerged as a result of Greenland's forced entry into the EC. If Greenland had not been a member of the EC, the Faeroes would undoubtedly be able to reach favorable agreements with the Greenland Home Rule Committee, not just as a result of the Danish citizenship, but because of the prevalent understanding in Greenland which is that Greenland fish belong to the Greenland people, but the part they do not catch themselves they will first and foremost leave for the Faeroes.

Because of this, the Faeroes look forward to the day when Greenland will succeed in leaving the EC. This will also be of importance in a broader perspective, since such a step would be a condition for a collaboration between Greenland, Iceland, the Faeroe Islands and Norway in the area of fishery which is not only natural but also absolutely necessary in order that the large part of the population in these four countries which is employed in the fishing industry will be able to survive. The wedge which the EC has driven in between Greenland on the one side and Iceland, the Faeroe Islands and Norway on the other side, must be removed.

All the cases which have been mentioned are natural parts in the Faeroese endeavors for independence which can only end with the establishment of a free, independent Faeroese state. This is the obvious right of the Faeroese people, both with reference to acknowledged international law (the convention of 14 December 1960) and as one of the Nordic nations. Because of this, it is the duty of the other Nordic countries to support the Faeroes in these endeavours, both as a result of their entering into international agreements and in accordance with Nordic freedom ideals.

GREENLAND TRADE MONOPOLY PREPARES TO DISSOLVE SELF

Copenhagen BERLINGSKE TIDENDE in Danish 29 Oct 80 p 8

[Text] The Greenland Trade Monopoly's production and fishing industry will be transferred to the Greenland Home Rule administration earlier than expected. Because of this, Greenland Minister, Jorgen Peder Hansen has appointed a ministerial committee to prepare the transition.

From Greenland's side, a commission has been appointed to consider Greenland Trade Monopoly's (KGH) future under the Home Rule Committee. Fundamentally, how the many small local business will be run is still open for discussion. The party, Siumut, has, however, at several occasions expressed an interest in transferring the businesses to private cooperatives.

Greenland Minister, Peder Jansen informs BERLINGSKE TIDENDE that the transfer of parts of the government industry, KGH's, functions, will require special legislation, legislation which must be prepared by the ministerial committee. The legislation must, among other things, determine clear conditions for further transfer of businesses from the Home Rule Committee to some kind of private ownership.

In 1981, the Home Rule Committee will take over a long line of duties. Fishing, hunting, agriculture and pure breeding, land preservation, land planning, industry and competition legislation, closing laws, etc, social conditions, labor market conditions, education and culture. KGH's fishing and production activity will be transferred prior to 1984. KGH's other activities will not be transferred until later.

The Greenland minister has stressed to the Home Rule authorities that by the transfer of new areas, bloc subsidy to cover budgetted increases in the expenses cannot be taken for granted in the future. When planning the budget, economic solidarity must be exercised between state, parishes and the Home Rule Committee, the Greenland minister stressed.

9667

CSO: 3106

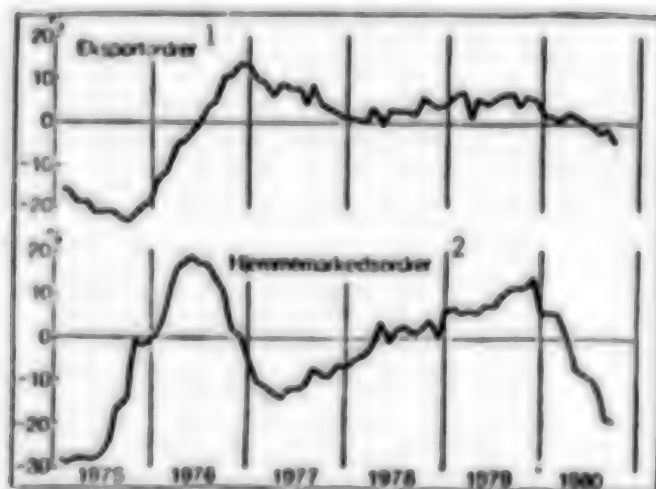
INDUSTRY COUNCIL REPORTS PRECIPITOUS DROP IN NEW ORDERS

Copenhagen BERLINGSKE TIDENDE in Danish 13 Nov 80 p 12

[Article by Frank Dahlgaard]

[Text] Industrial orders are now declining rapidly and all branches of industry are feeling the effects of the present decline in buying power in this country.

Industrial Council economists are releasing a supplement today to their so-called "Business Economic Barometer" which shows the latest gloomy developments, as BERLINGSKE TIDENDE reports here.



Quantitative development in industrial orders received. Changes are shown in percentages compared with the same month the year before.

Key:

1. Export orders

2. Domestic orders

Industrial orders from the Danish domestic market have declined sharply ever since the first of the year as the graph shows. And on the export market too orders have been lower in recent months than at the same time last year.

At the beginning of October the domestic order backlog in industry (except for shipyards) was almost 20 percent lower in terms of quantity than a year ago. The export order backlog was 4 percent lower at that time.

Economist Verner Puggaard of the business economy division of the Industrial Council said: "The economic repercussions on the Danish domestic market have been greater here after the second oil crisis than after the first one in 1974/75. The latest reports on the industrial sales and orders situation indicate that the forecast for 1981 the Industrial Council issued a month ago must be revised in a negative direction. The 1981 economy certainly didn't look any too bright to begin with."

Industrial sales measured in quantity declined 1 percent from the second to the third quarter this year, led by the decline in sales of machinery and other durable goods. From the first to the second quarter of this year quantity sales by industry fell a whopping 5 percent due to declines in the sale of consumer products and semimanufactured products.

The biggest decline in orders can be seen for firms delivering material to the hard-hit construction industry. In other words the construction crisis has spread far into industry as a whole.

The food products branch of industry noted smaller declines in orders received.

6578

CSO: 3106

BRIEFS

REPORTERS JOIN SECURITY COUNCIL--The final result of the government's invitation to Danish journalists to serve on the newly formed Security and Disarmament Committee was that five of those asked declined with thanks while three accepted. The last to accept was INFORMATION's Washington correspondent, Jorgen Dragsdahl, who joins Ole Sippel of Danish Radio-TV and Ruth Northen of AKTUELT. Opinions at INFORMATION differed as to whether or not Dragsdahl should accept but he was allowed to decide for himself. He said he felt participation on the committee would supplement his daily activity. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 12 Nov 80 p 2] 6578

GREENLAND HOME RULE COMMITTEE--The preparations for the coming collective bargaining situation in Greenland are now so far along that a chairman has been appointed to the Public Agreement Tribunal. It is the former High Court Judge in Greenland, Henning Brondsted, who will lead the work of the tribunal. The tribunal will be in charge of the collective bargainings with Danish and Greenland organizations on behalf of the government, the Greenland Home Rule Committee and the parishes of Greenland. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 29 Oct 80 p 8]

9667

CSO: 3106

SPD, FDP CONTINUE TO DISAGREE ON CODETERMINATION

Hamburg DER SPIEGEL in German 10 Nov 80 p 32

[Text] First a compromise, then it was off again: The coalition parties in Bonn are making no progress in the question of codetermination.

Shortly before 1600 on Monday last week good news reached the FDP in room 1903 of the delegates' high-rise office building: Their comrades sent a messenger to invite them to a new discussion about the compromise reached that morning on the miners' codetermination.

The FDP heads, Hans-Dietrich Genscher, Count Otto Lambsdorff, Gerhart Baum and Hans-Guenther Hoppe were relieved. The new discussion in the chancellor's office would save them from having to defend what was for them an unhappy compromise to the party.

A meeting with leading trade unionists had brought about the Social Democrats' change of heart. Chancellor Helmut Schmidt had hastily summoned the heads of the individual unions and DGB German Trade Union Congress head Heinz Oskar Vetter, who were meeting in Duesseldorf, to Bonn. There the trade union leaders flatly turned down the Social Liberals' hard-won compromise. Codetermination for coal and steel workers, they reminded him, was by no means assured by this formula for understanding. They were, therefore, demanding an expansion of the concept of coal and steel turnover, which is crucial in codetermination, according to the long-expired coal and steel protection law of 1971 (Lex Rheinstahl).

There a definition was given for the first time in a law of what is counted towards coal and steel turnover: Not just iron and steel, but also the products manufactured from them, such as pipes and wire rod.

The leading SPD and FDP politicians had not wanted to go that far in the coalition meeting held that morning. According to the codetermination rule now in force for the coal and steel industry, a concern is subject to codetermination involving equal numbers only for as long as earnings from coal and steel make up at least half of total earnings.

That would no longer be the case with Mannesmann, if chairman of the board Egon Overbeck could realize his plans and separate the foundries from the company's top levels. In order to maintain codetermination in coal and steel, the government wanted to lower the 50-percent earnings limit to 30 percent.

This was not enough for DGB leader Vetter. "Codetermination on the basis of equal numbers would be dead again before the new law had even been written," is Vetter's prophecy in a SPIEGEL interview (page 35). That would be true also for other coal and steel plants--Hoesch, Kloeckner, Thyssen or the foundries in the Saarland.

To make it easier for the FDP to support codetermination in coal and steel in spite of the party's program, Schmidt and comrades agreed to a liberal demand which is against the interests of the unions: Procedures for the election of staff representatives to the supervisory council dating from the codetermination law of 1976 are to be extended to companies which would be affected by the lowering of the earnings limit. Then union members could no longer send their representatives directly to the supervisory council. Their candidates would have to be elected by the members of the company.

In return the FDP gave up its top demand: To extend this election process to all companies in the coal and steel industry. Their most pressing wish, to push through special representation of executive employees on the supervisory councils in coal and steel, was also turned down by the SPD.

This compromise has not been easy for the liberals. They finally yielded to a line of argument from the chancellor: Social peace must be preserved at all costs. SPD party leader Wehner's warning, not to drive the SPD into "a new ideology of changing majorities" had achieved its effect. But in the afternoon everything was suddenly different. Minister Lambdorff, known in rightwing FDP circles as "High C," was received with protest at midday; he defended himself only by temporizing. In the evening at the caucus of party and leadership, FDP rightwingers once more criticized the fact that nothing had been done for the FDP clientele of executive employees. If no executives could be seated in the advisory councils of the coal and steel companies, in the opinion of social expert Hansheinrich Schmidt, then at least their rights in the plants would have to be strengthened. To dispel the unions' fears of a parallel council, he proposed the establishment in a separate law, not in the law on plant constitution, of committees to speak for the executive employees. This demand has so far been unacceptable to the SPD.

FDP chief Genscher had no other choice but to admit on Monday evening in the chancellor's bungalow that the negotiated compromise could not be put through in the FDP Party, the party was standing firm on that. The negotiators were able to agree only on the statement that they could not reach an agreement because of the numerous difficult questions of detail, but that they wanted to reach an agreement.

Just how far the coalition is from a solution of the problems in codetermination in coal and steel, became clear the next morning. At a small meeting the Social Democrats presented a paper which the party had drafted. "The SDP and the FDP," it said, "are in agreement in the wish to preserve codetermination in coal and steel."

Lambdorff and Baum cut this sentence.

9581
C50: 3103

BELT-TIGHTENING OVER MANY YEARS BEGINS TO PAY OFF

Stockholm DAGENS NYHETER in Swedish 28 Oct 80 p 33

[Article by Per Sjogren]

[Text] The party in Finland has been going on since 1979 and it will keep going. In 1979 the gross national product, the sum of the value of goods and services, rose 7.2 percent. This year it seems likely to be 6 percent. Next year a 4 percent growth is expected.

According to the finance minister's prediction 1982 will be a low year but 1983 will see another upturn and in the period up to 1984 Finland can count on an average growth of 3.5 percent a year.

In recent years Finland has easily beaten the international economic elite and if the finance minister is not too far off Finland will have a high standing in the international growth league for the next several years.

Wage earners have received higher real incomes since 1979 and that development will continue next year.

During the 3 bad years, 1976-78, industrial investments declined 15-20 percent each year. But last year they increased 20 percent and this year the figure is somewhat higher.

Finland lies in the middle of the OECD inflation league. Production costs per unit produced will result in Finnish export products remaining fully competitive this year too.

The current situation in a nutshell is this:

Industrial capacity is being 90 percent utilized. No branch is in trouble.

The vital forestry industry had a brilliant first half this year but there are signs of some weakening. The final result for the year is expected to be an export increase corresponding to 5 percent in terms of volume and 20 percent in terms of value compared with the good year the industry had last year.

The chemical industry is running at top speed.

The engineering industry, including shipyards, has already sold most of its production for the next 2 years. The upswing in exports was relatively slow in the first half of the year but the tempo has picked up since then.

The full order books in the engineering industry are largely due to exports to the Soviet Union. The Russians are the main suppliers of oil and the sole suppliers of gas to Finland. Finland's fuel bill has doubled since last year. In principle trade between the two countries is supposed to be balanced but Finland will not quite manage that this year.

Finland has strong economic ties to the West but trade with the Soviet Union is regarded as a way of evening out market fluctuations in the West. The trade deficit with the Soviet Union is a reminder that Finland's terms of trade have deteriorated. The raw materials Finland imports, primarily from the Soviet Union, are increasing more rapidly in price than the finished products Finland exports.

But in trade with the West Finland has a surplus this year, just as it did last year.

The Soviet Union is Finland's biggest trade partner, followed by Sweden and West Germany. Primarily due to an anticipated economic decline in the West Finnish economists are predicting a decline of activity in their country toward the end of 1981. Domestic demand is expected to continue at a high level.

An internal review made by one of the big banks says that Finland has good prospects for getting through the next recession in the West with very little damage--if the government keeps on its toes.

Economists DAGENS NYHETER talked to had their doubts about the government.

Finnish Economy in Good Shape

Things have gone well for Finland for 2 years now and the good development will continue next year although at a somewhat slower tempo. At the beginning of this year some economists were making Finnish forecasts, i.e. pessimistic ones, but they quickly changed their views. It has been some time now since Finance Minister Ahti Pekkala presented his budget for 1981 and in it he said cautiously that a decline will probably come toward the end of next year.

With 2 good years behind them and the prospect of another to come people in Finland are living well and are disinclined to heed warnings. Negotiations on new central contracts will begin soon on the labor market. At most there can only be 5 percent more in the new contracts, the finance minister warned. He did not mention wage drift.

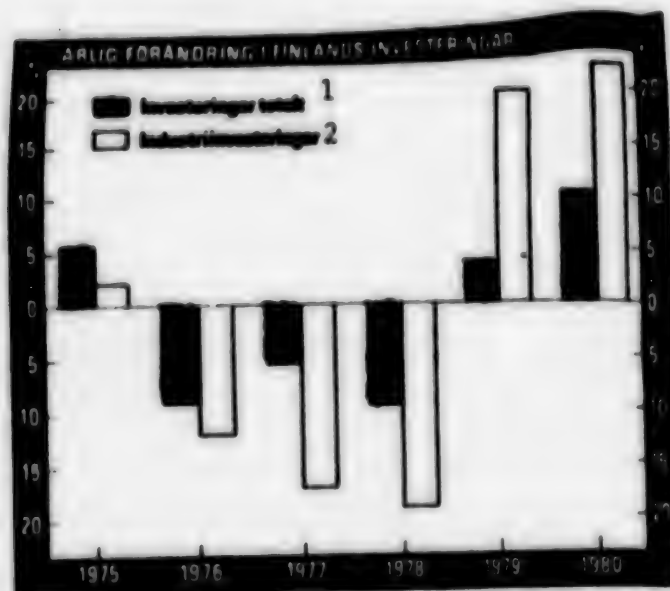
If one looks at exports, industrial investments or real wage growth things look good for Finland. The engineering industry and the shipyards have orders for

2 years to come. Finnish shipyards are building specialized vessels and have no experience with the international crisis in that branch. The textile industry is going well, exporting products worth several billion marks a year, including several billion to Sweden. There is no structural crisis in Finland as there is in Sweden. Unemployment has declined to levels regarded as almost acceptable in Finland.

Why have things gone so well for Finland?

The answer is that Finland is reaping the harvest of a hard and resolute policy of austerity. This was politically possible due to the fact that the Social Democrats, the majority Communists and the Center governed together throughout almost the entire decade of the 1970's.

The Communist Party in Finland is divided into two wings who for Soviet reasons are forced to stay together in one party. The majority, headed by Aarne Saarinen, is now incorporated into the parliamentary system and in a way is a practical example of "Eurocommunism." The ideologically conservative minority is in opposition but is not having much success and the events in Poland are expected to work against the minority even more.



Annual Changes in Finland's Investments

In the last 2 years Finland has had a substantial upswing in investments, especially industrial investments which increased roughly 20 percent this year.

Key:

1. Total investments

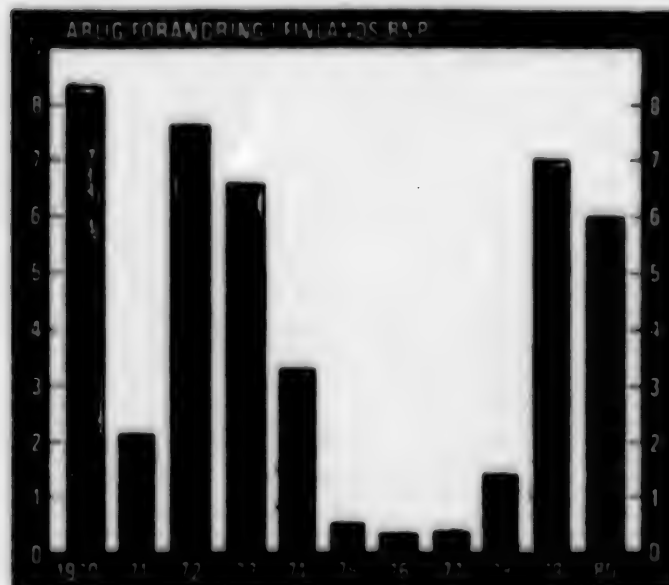
2. Industrial investments

Broad Foundation

This development has increased political stability in Finland. The economic policy rested on a broad foundation.

The majority communists continue to keep a low profile in government and there is more friction between the Social Democrats and the Center Party. In the last government under Social Democrat Kalevi Sorsa, the Center felt it played a smaller role than it was entitled to. In the present government under Sorsa's party comrade Mauno Koivisto the Social Democrats feel they have been put in an inferior position. Occasionally they jerk at the bit but so far the government has held together.

Although Prime Minister Koivisto by no means tries to project the profile of "strong man" he is ranked so high on the political exchange that he now seems unbeatable as the successor to President Urho Kaleva Kekkonen who passed his 80th birthday earlier in the fall.



Annual Changes in Finland's Gross National Product

Throughout the 1970's Finland's GNP (gross national product) has grown. Last year and this year the figures reached were reminiscent of the "happy 1960's" in countries such as Sweden.

Finland was at the bottom economically when this rough course of treatment began in 1975. The primary goal was to check inflation and reduce the trade balance deficit. The government decided on a classic belt-tightening policy, the same policy used successfully in the 1960's under similar circumstances. Public and private consumption were both cut back. In 1976 the sum of taxes and fees to the state, the gross tax rate, reached 42 percent of GNP (the sum of the value of all goods and services). Since then the tax level has been lowered step by step to 34 percent compared with over 50 percent in Sweden.

In 1976 the private buying power per household declined 6 percent.

One result of the reduction in public and private consumption was that imports shrank. The trade balance deficit declined but only 1978 has shown a surplus so far.

Inflation at 11 Percent

All through the 1960's and well into the 1970's inflation in Finland was 1.5 times as rapid as it was in the average OECD land. At the beginning of 1975 it was 18 percent but 3 years later the inflation rate had been forced down to 6 percent. But last year the inflation rate rose again and it is expected to be around 11 percent this year and next.

But the negative effects of the belt-tightening policy were obvious. With reduced public and private consumption, economic activity declined. Companies laid people off and unemployment increased. In 1977 137,000 people were out of work on an annual average and the peak was reached in early 1978 with 200,000 people unemployed. That was 7.5 percent of all those covered by unemployment insurance.

"Even if we had wanted to we didn't have the funds to pursue the active labor market policy Sweden chose," an economist in Helsinki told DAGENS NYHETER.

The next phase in economic policy followed, the recovery policy. In 1977-78 the Finnish mark was depreciated in three rounds for a total of around 16 percent. The mark became cheaper abroad and the inflation rate was checked at home, giving a boost to exports. Lost markets both home and abroad were regained by Finnish industry. Prices had become competitive once again.

More Buying Power

In the summer of 1978 the government also introduced an active market policy to beef up the domestic market and reduce unemployment. Industrial investments were made easier, total taxes were reduced and income tax tables were adjusted to follow inflation. This gave wage earners more buying power.

This policy has been followed out. In the budget for next year the finance minister will adjust tax rates downward by 11 percent. That is expected to correspond to the inflation rate. In other words Finnish wage earners can increase their nominal income by that many percentage points without paying more taxes.

The most important social result of this active policy is that unemployment has been cut by more than half since 1978. The average for this year is expected to be close to 99,000. That corresponds to 4.3 percent. Next year the finance minister is hoping unemployment will decline to 3.5 percent. But there is still some way to go before Finland reaches the average unemployment level of the 1960's, around 2 percent.

However the balance between upturn and downturn is fragile in Finland. One important reason is that forestry plays a much more vital role in the Finnish economy than it does in Sweden. Out of a total export this year of 29.5 billion marks forestry accounted for roughly 13 billion compared with 8.2 billion resulting from engineering industries.

On the international market prices for forestry products fluctuate as widely as they do for many raw materials. Thus buffets to the Finnish economy from outside have a much harder impact than would be the case if the country had a more varied production.

Some economists in Helsinki think they can detect a pattern in the Finnish economy but their claims have met with opposition. The pattern starts with belt-tightening measures to get inflation and private consumption under control, forcing money into industrial investments. It takes several years before this affects exports. About 3 or 4 years after the beginning of the belt-tightening moves investments really take off. At the same time private consumption rises and the growth in investments and private consumption boosts imports. Employment increases and workers see to it that they get a bigger piece of the mutual cake. This happens 5 or 6 years after the austerity measures start.

After 6 or 7 years inflation picks up again and Finland's competitiveness declines once more. After 10 years it is time to start all over again.

The theory roughly corresponds to developments in the 1960's and 1970's. There are signs now of an overheated economy and the government has taken the first steps to check this development. From last September to this March the mark appreciated 5 percent. This makes imports cheaper and the aim is to reduce the effects of external inflation. The latest development is a braking of construction activity.

But the economists DAGENS NYHETER talked to feel that too little has been done so far. The Bank of Finland is pursuing a much too lenient currency policy, liquidity is good and expectations of inflation are rising. Both the central bank and the government should be pursuing a tighter policy at this time.

"But that is the usual story in Finland," our informants said. "The government holds the reins tightly to start with but later relaxes its grip."

6578
CSO: 3109

POLL FINDS GREATER FEAR OF LARGE-SCALE CONFLICT

Helsinki HELSINGIN SANOMAT in Finnish 31 Oct 80 p 10

[Text] Most Finns feel that the danger of a major war has grown during the past year. This was the result of a Finnish Gallup poll commissioned by HELSINGIN SANOMAT in September.

The polling was so timed that the crisis between Iran and Iraq might turn into a war at about the time the poll was taken on 19 September. Before war broke out, the results were obtained, according to which 66 percent of Finns of voting age felt that the danger of war between the big powers had increased. After war had broken out, that figure rose to 76 percent, thus resulting in a mean of 72 [as published] percent.

Every fifth Finn (18 to 22 percent) is of the opinion that the situation has remained the same as it was and only 6 percent of us Finns believe that the situation has taken a turn for the better, that the danger of a major war has diminished.

Views on the world situation were asked for during the poll by posing the following question: "When you consider the current world situation, how do you regard recent developments — those that have taken place approximately during the past 12 months — in terms of the possible outbreak of a major war?"

During the same poll, people were also asked: "What, in your opinion, is the situation here in the North? In which direction do you feel developments are moving here in view of existing tendencies?"

According to the responses, 10 percent of the Finns believe the tendency in the North is toward a more peaceful situation, 63 percent feel that things have remained as they were and 25 percent view things as moving toward a more unsettled situation. The outbreak of war between Iran and Iraq had absolutely no effect on these views.

[Poll Results]

The danger of a major war:

Percent

has clearly diminished
has to some extent diminished
the situation has remained unchanged
has to some extent grown
has clearly grown
cannot say

1
5
19
47
25
4

Developments in the North are moving in the direction of:

a more peaceful situation
the situation has remained unchanged
a more unsettled situation
cannot say

10
63
25
2

11,466

CSO: 3107

NEW BOOKS DEAL WITH CHAIRMEN OF COMMUNISTS, CONSERVATIVES

Helsinki KANAVA in Finnish No 8, 1980 pp 510-511

[Article by Jouko Tyyri: "We Go Along With It"]

[Text] The giant bees of the imagination have been buzzing about us for months and years now, but they will really have to see how they can squeeze into the hive of reality all by themselves.

"The Story of Gosta Berling"

The hive of reality is the home of the Center Party. Those bees of the imagination are buzzing about on the fringes of the field but cannot get into the government. The right has its "cavaliers" and the left its old class fighters, but the daily grind of the nation begins where the legends leave off. Aarne Saarinen and Ilkka Suominen and their bees should read Selma Lagerlof's parable of the days of chivalry. It is the history of a revelation.

The Center Party is a party of realists, one that does not want to remain in the opposition. Compromise is a major process and that process is in itself the Center Party's true ideal. Center Party policy normally deals only with the possible.

The hopeless banality of a firm policy logically follows from this because a more profoundly attractive one is impossible: "He well knew that joy was good for the nation's children and that it had to exist. But the question as to how a man can be both cheerful and good still lay over the land like a peculiar enigma." No, the only things that conceal the Center Party's banality are its representatives' personal vigor and colorfulness.

The Center Party will retain its power for just as long as it is prepared to make compromises. Its image will fade as its reserves [for making compromises] run dry and credit becomes dearer.

Finland's social contract in terms of its income policy is in itself an epic process and this process has created a big center, a big community in which not even a strong party can set itself up as an uncompromising opposition nor, on the other hand, be in a position to change anything either.

The system is incapable of providing gains. The partners to it can agree on nothing more than an ever slower increase in general expenditures. That is all right, but a cheerless situation.

"It's a sad situation, but we go along with it." Kekkonen has brought us to this point.

Sure, we are communists, students of Lenin, but revolution requires a particular kind of situation. At this point, all we can do is divide the power.

Sure, the Conservative Party is a party of the right, but it is the modern heir of a big Finnish party. With this approach we will win out.

This is the way Aarne Saarinen and Ilkka Suominen put it. I think their statements are constructed in the same way. Saarinen parries the extreme left, Suominen the extreme right. Each of them preaches common sense to his own adherents. Both of them are election coalition leaders.

Saarinen's common sense will be needed if things go badly with the nation, one way or another. Suominen will have to assume responsibility if things go badly for Vayrynen.

The bourgeoisie is advocating the formation of a national coalition. Saarinen can reach agreement with the Agrarian League but he can hardly put up with placing one's unquestionable faith in the Conservative Party. Suominen, on the other hand, can say that he has more to offer than Vayrynen. He says this to some people.

What then drives the bourgeois factions together? Taxation. On this issue, the socialists have made their biggest historical blunder, one which robs them of the votes of the majority.

Aarne Saarinen became head of the party in 1966. The din of the big age groups and the left's victory promised Finland socialism. The first thing to do was to form a national coalition and a strong government.

The realization of its ideals was of course near, but it was delayed and became more complicated. Its forces were diminished, the radical generation was absorbed into the society and, above all, the belief in its dreams vanished. It is again trying to set something in motion.

Perhaps 10 percent of the people are behind Saarinen and, under the circumstances, the voice of the rank and file can no longer be guaranteed. On the extremist fringe, "Stalinist" shock troops are making quite a lot of noise about putting together a class of Christian Leaguers or Vennamo supporters. The election coalition's third wheel is a trap for the Social Democrats, a cover organization.

With this kind of support, the party will not capture a single governor's seat, if the provinces elect their own governors. The only way to obtain official posts is through appointment, and that door can only be opened through political cooperation. Without the backing of the Social Democrats and the consent of the president, they will not let go of any part of the big tax barrel. So a mixed economy is really a trap.

On the other hand, the Sinisalo faction prevents downright exploitation of the situation. The Communists do not strive to gain power by using force, but once in power they operate in the same way their ideology commands everywhere. First, chairman Saarinen was confronted with Prague and now Poland.

Thus only a particularly cautious policy, one that minimizes defeat, is possible. The rest is a matter of explaining it, here and in party headquarters.

The memory of the class war has been preserved through the third and fourth generations, but people do not believe that they are growing poorer. The people's values are terribly bourgeois and the cultural struggle has really already been resolved as well. The comrades remember the old days and sip their drinks.

The last campaign was turned into a delay.

Ilkka Suominen is reaping the harvest sown by Riihtniemi and Holkeri. The Conservative Party may be a liberal party which dominates the big cities and keeps the Center Party well-disciplined. At the same time, it acts as a threat by means of which the Center Party can command a majority in the government.

Thus Suominen's policy line is as clear as a tree-lined boulevard. Foreign policy according to the book, following the Paasikivi-Kekkonen line, domestic policy in the style of a social free economy. A broad coalition, going along with it on all issues. What could be more convenient?

Only the entrepreneur need resolutely thunder. Only one thing is necessary: control over taxes. Ever larger groups get caught in the tax trap and react in a bourgeois way.

At this time, we need do no more than criticize the bourgeois party and smile to ourselves. It receives party support, follows the model set by the left and is satisfied with being careful not to make any wrong moves. Success takes care of the rest.

Thus the Conservative Party has ceased being a purely rightist party. It is returning to a broad general Finnish tradition, to its roots. Where is the youth of Finland?

The bourgeois are resilient, adaptable, they wait, scheme, hold their own and will inherit the earth. In practical matters, the Communists are much more conservative. The bourgeois want a lot of reforms, growth, progress and social peace.

Suominen is just the sort of bourgeois representative who practices politics like business, anything to please. He offers more, better, cheaper.

More development aid, more for veterans, more tax relief for families. These are supermarket offers and cooperatives lose out to the competition.

So cost level, ability to compete, productivity, efficiency, profitability, balance of payments and markets are the concepts of an economy-minded nation. The economy determines the limits of political policy.

A service-based policy is the same as what the left calls dialectics. Development aid is foreign policy, therefore good, therefore more of it. After adding to it, we talk of the direction development aid is to take, of distributing appropriations, etc. The main thing has been to show the left that it has no monopoly on such matters.

An increase in veterans' pensions is an increase in a particularly heavy pension burden, but regarded as a service it is of vital importance. A government coalition that has not taken care of the matter in time may fall because of it.

Suominen knows perfectly well that since Tanner the Social Democrats have tried to limit the number of children and to institutionalize children. Thus pressure on family planning. In this way, we have been consuming beforehand those reserves the left wants to use to feed its own reforms. Why should we save for others? The budget is Koivisto and Pekkala's problem.

This tactic is so productive that the Conservative Party will before long have to accept responsibility for it. Otherwise, all the appropriations the bourgeois have pushed through will increase just as university expenses now do.

The same thing is happening with the arts policy. We do not oppose petty cash outlays for more scholarships, appointments, education. The children of the bourgeoisie benefit from them anyway.

Therefore, we are no longer in the same boat; we merely sit round a common table. Suominen enjoys the benefits the system produces, in these matters as in others too. He speaks the same language as the others do too and in the end brings to mind the question as to who pays for the feast. That is the last word.

The situation is an uncomfortable one for Saarinen, who represents one seat out of 10. Even though he occupies only two seats, Suominen can cut himself a quarter of the pie. That is democracy.

Rihtniemi and Holkeri had to push their way in with him; all Suominen had to do was to be accepted. Suominen joins a group as though he were invited; he is invested with success.

We have already seen the danger inherent in coexistence during the communal elections. Helsinki set the example, whereby the Conservative Party might have developed the main election issue. But since victory was certain anyway, local politicians chose a readiness to pay freely rather than a worthless penny. This too will lead to an increase in payments.

When the storm breaks, let us remember that all of us in the same boat have increased the load. But now we are ashore and the feast is about to end.

Old soldiers and cavaliers both look at the banquet table and at one another. The speeches have been made.

[Biographical Note:]

Aarne Armas Saarinen: chairman, Helsinki. Born in Degerby, 5 December 1913. Parents: stonemason Armas Saarinen and Mari Tamminen. Adult Education School,

1951-1952. Finnish Construction Workers Federation, chairman, 1954-1966. SKP [Finnish Communist Party] Central Committee, 1957-. Parliament, 1962-1970 and 1972-. Bank commissioner, 1966. SKP chairman, 1966. Sergeant.

Ilkka Olavi Suominen: chairman, general manager, master's degree in political science, engineer. Born in Nakkila, 6 April 1939. Parents: commercial counselor Leo Suominen and Anna Irene Mattson. Lieutenant.

11,466
CSO: 3107

FRANCOIS-PONCET INTERVIEWED ON FOREIGN POLICY DIRECTIONS

Paris LE FIGARO MAGAZINE in French 8 Nov 80 pp 74-77, 79

[Interview with Minister of Foreign Affairs Jean Francois-Poncet by Patrick Wajzman]

[Text] Next Wednesday there will be a foreign policy debate in the Assembly. As a preview, Jean Francois-Poncet, minister of foreign affairs, makes some comments on French foreign policy directions.

[Question] In our country there is sometimes a tendency to see the labor movement of the Polish workers as a successful result of detente policy. Doesn't this type of analysis sound like self-justification for pleading one's own cause?

[Answer] You are simplifying the argument. It is clear that the events which have occurred in Poland have their roots in Poland itself. But I will make two observations in response to your question. During the periods when the cold war was at its height, there were no internal events for a country. Everything was interpreted and treated in terms of East-West confrontation. On the other hand, detente is based on the idea that it is up to each country to sort out its own affairs and determine its path itself apart from any external intervention.

The spirit of detente, moreover, is that problems should be settled by dialogue and working together and not by force.

That is not what happened in Afghanistan. That is why the Soviet intervention dealt such a serious blow to the relations between East and West.

But in Poland up to now - and I do say up to now - the way things have happened conforms to the spirit of detente. This is not pleading one's own cause. This is fact.

[Question] I am not quite as optimistic as you, Mr Minister. Having said that, how do you explain that movements of the same kind took place in the East at a time when this sacrosanct detente did not yet exist?

[Answer] I do not share your opinion. During the time of the cold war, that is up until 1953 and from 1957 to 1963, we did not witness any movement of the same nature. If you are thinking of the movements which occurred in East Germany in 1953, and in Poland and Hungary in 1956, I will remind you that they took place just after the death of Stalin in the first case, and after the 20th Congress and Khrushchev's

report in the second, that is during the first period of detente which the repression in Budapest in fact ended.

[Question] One has to agree with you when you maintain that the roots of the Hungarian revolt go deep into destalinization. But it seems to me nevertheless that if detente really made any sense it would not only make such movements possible. It would also be opposed to their being suppressed by the Red Army. In any case, do you have the feeling that during the recent Polish crisis the West should have reacted differently? Furthermore, what is your judgment on the remarks (at least they are forceful) made by Michel Rocard in particular and by the opposition in general?

[Answer] Your judgments of course are your own. but for goodness sake don't give my answers a meaning which they do not have at all!

Regarding the attitude of Western countries vis-a-vis the Polish crisis, I believe that as a whole they have reacted appropriately. In fact it would not be in keeping with either Western morality or Warsaw's interest to attempt to intervene in internal Polish affairs. All that the West can wish for in the circumstances, as France has pointed out, is that Poland find in itself the capacity to overcome its difficulties and to respond to the aspirations of its people.

As for Mr Rocard's remarks, I notice that they have not been followed up even by the man who made them.

[Question] Do you not find it strange that we are delighted by the (temporary) "moderation" of the USSR in the Polish crisis, while its troops continue ravaging Afghanistan? Could we have, then, such a short memory?

[Answer] It is quite incorrect that Afghanistan is forgotten. Perhaps you did not notice that I myself devoted a considerable part of my speech at the rostrum of the United Nations to it. Regarding Poland, it is a fact that up until now the events happening there have not taken on an international dimension. There is nothing strange about that and it is our wish that it remain that way.

[Question] Let's not leave Afghanistan, Mr Minister. Several months ago, France stated that the Kabul coup was "unacceptable." What concrete substance do you intend to give today to that rhetorical protest?

[Answer] It's not a question of a "rhetorical" stand but of a stand on principle which is valuable in and of itself. One only needs to think about what abandoning it would mean to measure its worth. What is more I believe that it would be wrong to underestimate its effectiveness when it is the stand taken by the vast majority of the international community, even if it does not have immediate results.

[Question] No one can deny that principles have intrinsic value. But I am afraid that they are not always enough to resist the brutal force of an army of occupation!

[Answer] Besides, I did not say that principles were enough. I said that they were necessary and that they carried weight in and of themselves. Affirming them is being accompanied on our part by political and diplomatic activity at the United Nations and elsewhere.

[Question] I would like to ask you one last question on this subject. When France finds itself facing the Soviets at the Madrid conference, will it make the observation that the intervention of the Red Army in Afghanistan alone violates five of the ten principles contained in the Helsinki final act?

[Answer] France will go the Madrid meeting based on what the final act anticipated, both to verify the status of how it is being carried out and to propose new developments. Therefore we will be led to compare the provisions of the final act with the behavior of the states which subscribed to it. We will be doing that as firmly as necessary on the item you are pointing out as on many others.

[Question] Might not this comparison be slightly disappointing?

[Answer] That is possible. We will see. But one cannot feel that this review is necessary and at the same time decide in advance that it is useless. Anyway that's not the problem. The final act made provision for this review. It must take place.

[Question] What concrete progress in the area of human rights seems to you to have been achieved since 1975?

[Answer] Large ethnic minorities, of German origin in Poland and Jewish in the Soviet Union, have taken advantage of increased opportunities to emigrate. Tens of thousands of people have benefited from this. Millions of citizens of several countries have seen a new right to travel abroad opened up to them. The interventions that we make for humanitarian reasons (divided families, mixed marriages) have been resulting in positive solutions to a more considerable extent. More generally, there is the effect which is more diffuse and more difficult to measure of a "climate" which makes attacks on human rights more visible and therefore more difficult. Once again, in no way do I mean to say that we, least of all, can be satisfied with the present situation. And that is not the case. But we would be making an error of judgment by not recognizing that in certain areas at least there has been limited but concrete progress.

[Question] One last word on the Kremlin: do you think - yes or no - that the USSR belongs to the category of "expansionist" powers?

[Answer] Are you acquainted with many states in the course of history which, having reached the degree of power the Soviet Union has, have resisted the temptation to expand their influence in the world? The problem is not knowing if a state is expansionist but to make it so that the international balance of power makes expansionism impossible.

[Question] Well then, if it's all right with you, we come to transatlantic relations: rightly or wrongly, people in France sometimes have the impression that being independent for the government is saying "no" to the United States. Do you not think that our rather stubborn attitude toward Washington deserves some explanation?

[Answer] This impression, if it exists, is erroneous and I do not believe that your description of France's attitude corresponds to reality. France has its own policy which I have had occasion to explain to Parliament in detail and which I will be explaining again in a few days. It does not always coincide with that of the United States. Neither does it systematically depart from that policy. When it does, it is for specific reasons which we express clearly and frankly. But the actions we take, I repeat, never follow the dictates of some kind of "anti-Americanism."

[Question] In your opinion what steps would be desirable to improve transatlantic relations? Setting up a directory like the one General de Gaulle conceived of and in which Bonn could be included?

[Answer] It would not be sound and it would also be inaccurate to exaggerate the difficulties which mark Washington-Paris relations. On this matter I would add that it is not a question - or no longer a question - of a problem that is only Franco-American. Having said that, I am happy to go along when you suggest that there is room for improvement in the consultations between Europe and its ally from the other side of the Atlantic. I would even add that these consultations can only fully accomplish their purpose if they comply with three conditions: 1) They must be genuinely confidential; 2) They must take place prior to any decision; and 3) Their range must be relatively limited.

[Question] ...And so with Germany. I'll take this opportunity, Mr Minister, to ask you what you think of "neutralist temptations" in the FRG? Numerous observers in fact fear that, faced with the equivocations of American foreign policy, the Bonn leaders will be tempted by a policy which is excessively accomodating vis-a-vis the Soviet Union.

[Answer] You will allow me to let you take the responsibility for your judgment on what you call American "equivocations." On the other hand, regarding the FRG, I will be very clear: it is true that our German friends on many items and particularly with respect to the East have policies and interests which are their own. But I do not at all believe that the demons of neutralism threaten them.

[Question] We have not yet spoken about the Middle East.

[Answer] It's up to you.

[Question] Right, do you not feel that by clamoring for an "overall" solution to the Arab-Israeli conflict, the EEC risks undermining the authority of President Sadat and of those committed with him in the Camp David process?

[Answer] As you know President Sadat has said nothing of the kind. What might affect his authority is if the attitude of his Camp David partners does not allow things to lead up to self-determination for the Palestinian people as the Egyptian chief of state has always wished.

[Question] I am not sure, Mr Minister, that President Sadat is as favorably disposed as you suggest to the European initiatives. And perhaps he would even wish for Europe to put its weight into the balance to insure the success of Camp David instead of concocting competing solutions.

[Answer] It is not up to you or me to speak for President Sadat. I only make the observation that he has unceasingly emphasized the need to recognize the Palestinians' right to self-determination.

[Question] Do you not think that everything would become possible in the Near East if the PLO started by renouncing the article of its charter which in so many words looks forward to the pure and simple destruction of Israel?

[Answer] I am not sure, even if I would like to believe it, that revising the Palestinian charter would in Israel's eye be enough to make everything possible. Besides, Mr Begin is the one who would have to be asked the question.

[Question] Permit me to dwell on this. Isn't it natural for Jerusalem to reject any talks with the PLO as long as that revision has not happened?

[Answer] Jerusalem's hesitations are certainly understandable. That is precisely the reason why France, in full agreement with its European partners, is proposing an overall settlement. For only in that framework will it be possible to take into account what there is that is just in where the different parties stand: the right to self-determination for the Palestinians and security for Israel.

[Question] But are we not talking right there about incompatible objectives? How, in fact, can the Israelis feel secure when the PLO maintains that self-determination is only a "first step" on the road to the destruction of the Hebrew state.

[Answer] Do you mean that the way to Israel's security is through refusing to recognize the Palestinians' right to exist as a people?

[Question] Absolutely not. I am only talking about PLO objectives.

[Answer] As for me, I believe that there will be no long term security for Israel if the Palestinian problem is not resolved and there will be no solution to the Palestinian problem if Israel's security is not guaranteed. The two objectives, very far from being incompatible, can only be attained together.

[Question] In your opinion should the USSR be included in a settlement of the Near East conflict?

[Answer] Peace in the region will only be truly guaranteed if there is the broadest consensus of the international community concerning it, starting with consensus of the permanent members of the Security Council. I recall as well that everyone refers to Resolutions 242 and 338 of the Security Council. The Soviet Union voted for them, and Resolution 338 mentions "appropriate auspices" which everyone knows were those of the United States and the Soviet Union.

[Question] With the passage of time, do you think that the hospitality provided by France to Khomeyni has served the interests of our country in Iran?

[Answer] By allowing Ayatollah Khomeyni to stay on its soil, France was not following a calculation based on interest. In the first place, it felt that, taking all elements into account and, in particular, taking into account the attitude of the Teheran authorities of that time, this was the solution which took the least risk of worsening the situation in Iran itself.

In the second place, it felt that it was not up to France to be the judge of aspirations which - as shown by what followed - were those of the vast majority of the Iranian people.

On these two points, the passage of time does not seem to me to have invalidated the merit of that decision.

[Question] Nonetheless the fall of the Shah has upset the existing balance in the Persian Gulf region. What therefore should Western countries in general and France in particular do to reestablish stability in this vital zone? And to insure the reliability of the Free World's oil supplies?

[Answer] There is no magic formula to insure the stability of a region of the world. This is also of course true of the Gulf. What is necessary is a comprehensive policy aimed at making elements of tension disappear whether these come from great power interference, repercussions of the Arab-Israeli conflict, disparities in development, or national disputes. As for oil supplies, they are of common and vital interest to producer countries of the region as well as consumer countries. Concerning the latter, they have clearly made known what capital importance they attach to maintaining the reliability of those supplies. Their appeal has up to now been heard. No one must doubt that if it were no longer to be heard, appropriate measures would be taken.

[Question] Do you mean that France and her allies would go as far as intervening militarily?

[Answer] I said to you that appropriate measures would be taken.

[Question] I thank you, Mr Minister. Even when one does not agree with all your analyses, one must admit that you really have faith in them. So does it ever occur to you to have doubts?

[Answer] Of course it does! Was it not Unamuno who wrote: "A faith which one does not have doubts about is a dead faith"? But I only have doubts before a decision is taken. Never afterwards. This is a matter of temperament, I presume.

9631
CSO: 3100

SOPRES POLL SHOWS UNEMPLOYMENT ELECTORATE'S MAIN CONCERN

Paris LE FIGARO in French 8-9 Nov 80 p 5

[Article by Charles Rebois: "Unemployment: The Danger Level"]

[Text] Fifty-one percent of the French feel that the fight against unemployment must be given priority (46 percent in October; 43 percent in September), and only 11 percent feel that government action in this area is effective. That, in brief, reflects the public's concern in this autumn of 1980, in which the signs of a worsening economic crisis are multiplying.

The announcement that the threshold of 1.5 million unemployed has been passed caused shock. Its effects can be discerned in most of the responses to the questions in our survey. Those effects are generally negative, although calm does prevail, for example, in the social area--imposed, it is true, more by fear than by reason.

Two categories feel particularly affected. They are the young people (63 percent of whom put unemployment at the head of their list of concerns) and the managers, while farmers, merchants, craftsmen and, of course, the elderly, are less concerned.

The fight against higher prices--the second greatest concern of the French--loses some of its sharpness precisely because of worsening unemployment. The way in which the question was formulated explains this mixup, since the responses concerning the four priorities necessarily involved a choice. In such conditions, government action to overcome inflation was judged with somewhat less severity.

In a deteriorating general context, the number of optimists is naturally growing smaller and smaller (7 percent compared to 9 percent in October), and 66 percent feel that things are tending to get worse (62 percent in October).

At the same time, the French hope that the authorities will show more interest in the fight against violence and crime. This concern finds a response in Parliament's approval, at the government's initiative, of the "safety and freedom" bill.

The impression one gets from this survey is scarcely heartening. One does not see in it a hope of better days. Such an attitude is understandable if it reflects a greater awareness of the seriousness of the worldwide crisis and of its effects on

our economy. It would be more disturbing if it meant that the French are giving up because they feel that a new surge forward is beyond our reach.

There is a fine topic for the presidential election campaign.

Data on SOPRES [French Opinion Polling Company] Survey

1. The survey was taken for LE FIGARO.
2. Date of survey: 23 to 29 October 1980.
3. National sample of 974 individuals representative of the total population over 18 years of age.
4. Quota method (sex, age, and occupation of head of household), with stratification by region and by size of town.

Priority to Struggle for Employment: up 5 Percent

Question: In your opinion, to which one of the following should the government be giving priority attention at the moment?

	<u>October 1980</u>	<u>November 1980</u>
Combat higher prices	28	21
Combat unemployment	46	51
Combat violence and crime	13	17
Maintain social peace	11	9
No opinion	2	2
	<u>100%</u>	<u>100%</u>

Struggle Against Higher Prices: Slight Improvement

Question: As far as the fight against higher prices is concerned, do you feel that government action is...?

	<u>October 1980</u>	<u>November 1980</u>
Very effective	-) 10	1) 13
Fairly effective	10	12
Not very effective	50	48
Not effective at all	36) 86	35) 83
No opinion	4	4
	<u>100%</u>	<u>100%</u>

Unemployment: Government Action Ineffective

Question: As far as the fight against unemployment is concerned, do you feel that government action is...?

	<u>October 1980</u>	<u>November 1980</u>
Very effective	-) 10	-) 11
Fairly effective	10	11
Not very effective	47) 83	45) 85
Not effective at all	36	40
No opinion	7	4
	<u>100%</u>	<u>100%</u>

The French Are Pessimistic

Question: When you see the way in which France and the French are evolving, do you have the feeling that things are getting better or that, on the contrary, they are tending to get worse?

	<u>October 1980</u>	<u>November 1980</u>
Things are getting better	9	7
Things are tending to get worse	62	66
There is no change	26	25
No opinion	<u>3</u>	<u>2</u>
	100%	100%

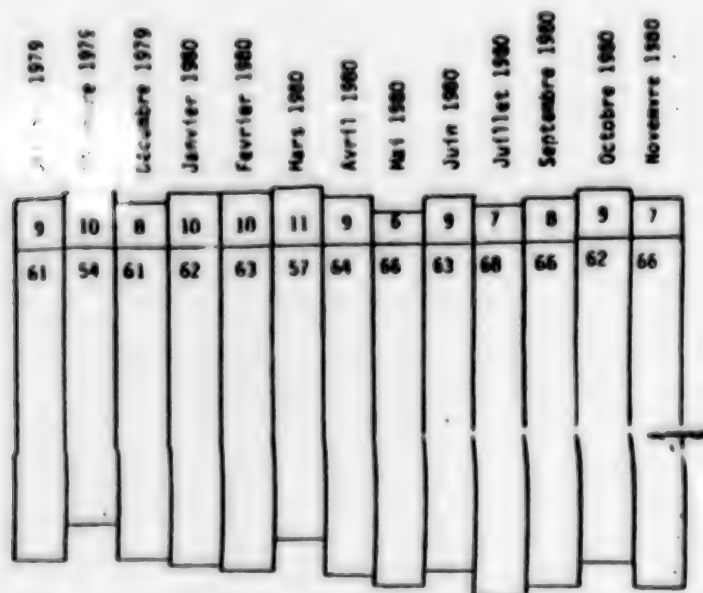
Improved Social Climate

Question: Do you feel that there will be many or few social conflicts over the next 2 or 3 months?

	<u>October 1980</u>	<u>November 1980</u>
Many social conflicts	50	47
Few social conflicts	33	38
No opinion	<u>17</u>	<u>15</u>
	100%	100%

Optimism and Pessimism in Public Opinion

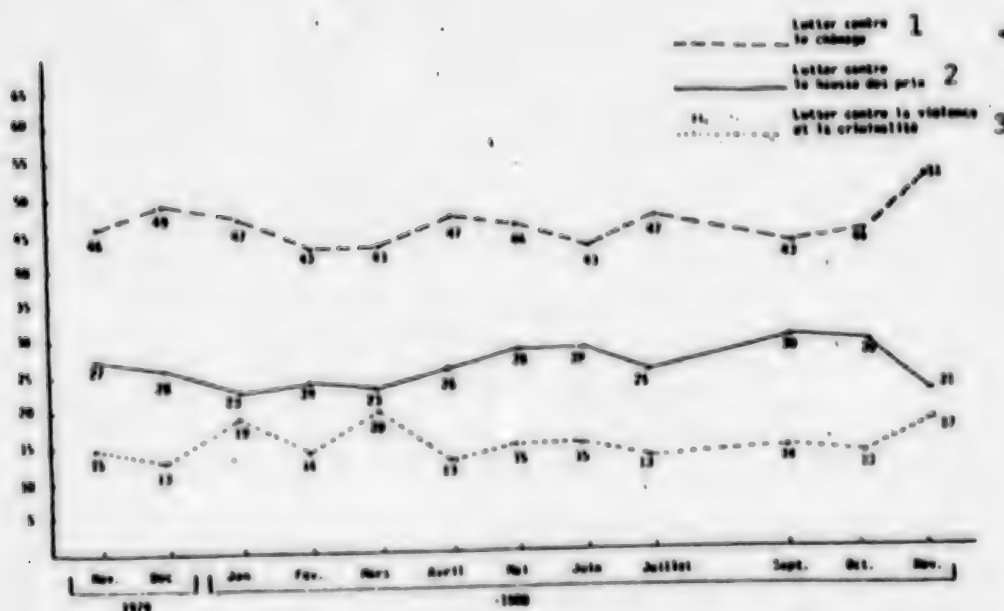
[The months shown are from October 1979 through November 1980, but excluding August 1980.]



(Above the horizontal line: things are getting better. Below the line: they are tending to get worse.)

The Concerns of the French in 1979-1980

[The months shown at the bottom of the chart are from November 1979 through November 1980, but excluding August 1980.]



Key:

1. Combat unemployment
2. Combat higher prices
3. Combat violence and crime

11798

CSO: 3100

FISZBIN SAYS PCF ON WRONG TRACK, ADVOCATES UNION WITH PS

Paris LE MONDE in French 11 Oct 80 p 8

[Article by Henri Fiszbin, PCF dissident: "Wrong Path"]

[Excerpts] Is it possible to end up with a real political change next May, and how?

The leadership is opposed to an orientation debate under the pretext of not wanting to bring up the decision of the congresses again. But it appears today that this refusal really is intended to prevent spotlighting the grave consequences of the orientation during the presidential election, and to hide the fact that they are at a deep rupture with the strategy defined by our 22d and 23d Congresses. Just as that strategy was daring, unity-oriented, open-minded and fully in tune with reality, so the policy that has followed since then has been narrow-minded and defensive. It does not respond to the hopes of the victims of Giscard government policies or the bosses. There is a sense of urgency to take a new direction, and the workers are waiting for the Communist Party to do everything it can immediately to combat the right, to promote every advancement, every improvement of their fate, and every economic, social and democratic form of progress.

Georges Marchais declared: "We are the anti-Giscardians," "We are the candidates for change." But his book and speech at the party for L'HUMANITE are establishing for the electoral campaign an orientation that removes all concrete reality from those words, because union--the only way to give it life--is no longer among his concerns.

Those texts are really evolving an analysis based on the idea that, under the present circumstances, the defeat of the right by a socialist candidate would not be able to bring about a real change in any case. Right now, Georges Marchais has stated that, "if elected, Mitterrand would carry on the same policies as Giscard d'Estaing." That says not only that such an eventuality is useless, but also dangerous because of the illusions it would create. In practice, that causes an impasse to any possibility of change next May, and acts as though there had never been any connection between the struggles of the Manufrance worker and choosing the one who will rule the country for 7 years.

A Bitter Undertaking

Such an analysis reveals a pure and simple abandonment of the party's unity policy. Even the notion of a union of the left has practically disappeared from recent texts.

From now on, they have been mainly concerned with proving that the Socialist Party's past and present policies make any understanding with it impossible. Thus, that would leave nothing but to develop the struggles and strengthen the party's influence. That would be giving up in the face of the obstacle instead of taking steps to overcome it. It is erroneous to believe that the present situation does not leave any other choice except to compromise the Socialist Party's positions or act the gentleman alone.

The communists learned decades ago that union with the Socialist Party on positions of class is possible and indispensable--possible because, objectively, it has its basis in the community of interests of the workers and the people, and indispensable because it is the rite of passage required of every attempt to transform society. It is in its battle for union that the party has become the great revolutionary political force that it is today. Under all circumstances, the party must pursue its objectives of unity without becoming discouraged by the weight of the past and of the current policies of the Socialist Party.

It appears impossible and unfavorable. The Socialist Party, which had accepted the alliance only as a provisional necessity, made decisions at its 1977 Nantes Congress which gave rise to the conditions causing the break and the legislature's defeat. Today it is showing a drift toward the right, as seen in its sensitivity to appeals to "social consensus" and in its NATO positions.

Obviously, it is impossible to ignore these realities, and everything does not depend on the Communist Party. But what does depend on it is the willingness to do everything, with tenacity, to rebuild the union of the left with a Socialist Party which has been deviating from class collaboration. It is precisely that willingness which has been lacking.

What would be appropriate to do? First of all, we must never forget that, with regard to the right and the Giscard government, the entire left is in the same camp objectively, and has the same adversary. Division summons an implacable logic. As it mounts, it runs the risk of catastrophic consequences. The worse has not necessarily arrived, and the wane of the popular movement could be further aggravated. It would be dramatic to lose sight of the terrible consequences that a great victory for the right in the presidential election, and the fulfillment of the old Giscardian dream of expanding its majority over the left, would have for our people. Even if, given such an hypothesis, the party achieved a satisfactory count in the election and saw its precautions confirmed with regard to the PS, could it really be satisfied with a "success" so bitter for the workers, the country, and itself?

It is therefore necessary, without delay, to take specific actions to create among the workers a sufficient awareness of the necessary conditions for change to be possible during the presidential election. Steps must be taken toward creating "a broader and more lasting rapprochement among the cadres speaking out for change" which the 23d Congress established as its objective.

That obviously implies--the most difficult issue of all--that the Communist Party be resolute in taking the initiative to bring about political mergers whereby the notion of victory could become believable and mobilizing. If the rift between the PS and the PCF positions continues to widen throughout the entire campaign, there will not

be any more doubt about the election issue, and the problem of withdrawing in the second round will hold no more real interest, with the voting returns having been made difficult in advance.

The task at hand is to clear out the underbrush and take out that which, despite the differences, the left has in common and what might establish the just policies that it should put into practice. An evolution of the PS is indispensable for the conditions of unity to be met. But the party, which cannot ignore the dialectical link between its own positions and those of the PS, should embark on a positive and constructive course that would improve conditions for a possible understanding. What is urgently needed today is to make clear to the workers the policy and priorities of a government anxious to satisfy their needs and support their struggles. That will not cause--rather, just the opposite--a refusal firmly and steadfastly to protect the basic interests of the working classes and the need to recognize all of the Communist Party's place in the life of the nation.

I do not believe it is necessary, to arrive at points of convergence, to turn toward "programmatic" accord or summit talks with the Socialist Party. It is in the daily struggles and through political mass debate that the workers will be able to exert all their strength in building a more solid and loyal union. It is this positive combat that, drawing on the lessons of experience with the common program and its failure, the 23d Congress had decided to wage to assure the hegemony of revolutionary ideas in society.

That combat was not carried on. But to end the combat for union is to remove all its consistency with our policy. It is to make it an empty shell. It is to keep the hope in the present, but for a future that is very far off.

Since then, trying to fill its place in the absence of an alternative, the leadership is working to create struggles and strengthen the party's influence with a view toward replacement. This attempt is dangerous and illusory from every point of view, because it wipes out articulation among the struggles and the party's reinforcement, on one hand, and union and change, on the other.

The development of the party's influence is an essential question. From now on it is being presented as a real preliminary. As long as the electorate does not understand that the Communist Party's strength must increase, no steps toward effective change will be possible. This postulate is used to relieve the party of its obligation of presenting a picture of progress under all circumstances. It creates a good awareness and offers the shelter of a wisdom resigned to the ladder of history. It is, however, only in the framework of a proud and unity-oriented policy that the party can expand its influence enough to let it hold on to the place that belongs to it, and to prevent it from being used as a stepping-stone by a social-democratic type of rotation.

One cannot be reassured by imagining that the present phase is only an interlude and that, once the election is over and the party's place is reaffirmed, the march ahead will resume. Alas, the shift that was deliberately taken is a fundamental one. The most innovative and proudest aspects of the party's policy have been abandoned. All of the gain accumulated over 20 years, in bringing that policy to the needs of the revolutionary struggle in our time and country, realized at the 22d Congress, and later confirmed and enriched at the 23d Congress, stands a good chance of being thrown away.

Today, the knot has been tied. Another policy is being expressed and put into practice, using some simple linguistic precautions and a formal reference to the 22d and 23d Congresses.

I repeat: my belonging to the party is tied to a fundamental involvement. I am a communist because society cannot be freed from exploitation and oppression without a revolutionary party of the working class. It is my party and, like all communists, I am responsible for what it does. The collective responsibility which I assume does not relieve me of my personal responsibility. I do not have the right to keep my deep conviction a secret: the party is on the wrong track today.

While knowing perfectly well that the course is now underway and that the national conference will not change anything, I am keeping my certainty intact: it is absolutely necessary for the party to return one day, strictly and seriously, to the policy which it had taken upon itself, the only one consistent with its *raison d'être*.

9475

CSO: 3100

BRIEFS

METAL-SUPPLY SEMINARS--A number of French ambassadors and diplomats have recently been participating in seminars dealing with the problems involved in obtaining supplies of rare and precious metals for France. [Text] [Paris LE POINT in French 24 Nov 80 p 43]

POLICE COORDINATION PRIORITY--"I want top priority given to the coordination of the police services." Such was the order issued to the prefects on Friday [21 November?] by Interior Minister Christian Bonnet in the presence of the Prefectoral Association. In 1979, Bonnet had asked that the reform of the communes and departments be given priority attention. [Text] [Paris LE POINT in French 24 Nov 80 p 43]

ARMY RECRUITMENT EFFORTS--After calling for bids, the army has signed a 2-year contract with a private company, Segeste, that specializes in public relations. The objective is to make the army better known to the youths and students, and thereby "open up" and increase recruiting. [Text] [Paris LE POINT in French 24 Nov 80 p 43]

CSO: 3100

ITALY SIGNS AGREEMENT FOR MANUFACTURE OF AIRCRAFT SPARE PARTS

Athens BUSINESS & FINANCE in English 8 Nov 80 p 30

[Text]

AN agreement for the Greek manufacture of spare parts was signed last week between the Hellenic Aerospace Industry and Aeritalia, in the presence of Minister of Defence Evangelos Averof, and the Presidents of the companies concerned, Mr. Iason Stratos, and Mr. Bonifacio. Also present at the ceremony were the Italian Ambassador to Athens, Mr. Remo Paolini, Chief of the Air Force General Staff Lt. General (air) Papageorgiou, Director of the Armaments Manufacturing Industry of Greece, Lt. General (air) Vagiakos, and others.

Mr. Averof stressed the importance of the agreement, which, he said, demonstrated the confidence of the world-famous Italian company Aeritalia in the Hellenic Aerospace Industry, and at the same time inaugurated wider co-operation in this sector between Greece and Italy.

The agreement which involves the sum of about \$3 million, concerns the construction of spare parts for about twenty aircraft. The G-22 is a military

transport plane, which, in addition to a large number of military duties, such as the transportation and dropping of supplies and troops, can also assume civil duties such as the transportation of goods and heavy loads in an emergency. Manufacture of the aircraft began in 1977.

The Hellenic Aerospace Industry, which has for some time now been repairing and maintaining Greek Air Force planes, is taking its first significant step into the manufacturing sector with the signing of this agreement.

Aeritalia is a state-owned company, and the largest industrial concern in Italy. It has been functioning in its present form since 1969, when three Italian aviation concerns merged. Today it produces a considerable number of aircraft, such as the F-104, the G-22, the AMX fighter, etc. Aeritalia is also participating in the consortium of three companies which produce the ultra-modern Tornado fighter.

ICL ANNUAL CONVENTION IN ATHENS

Athens BUSINESS & FINANCE in English 8 Nov 80 p 30

[Text]

UNDER normal circumstances the arrival of some 2,000 foreigners in Athens would hardly merit a second thought since the total population of Athens often increases considerably in the hot, dry summer months due to the enormous influx of holiday makers.

But the arrival in the capital of the top salesmen and marketing staff of International Computers Limited (ICL) along with their wives in the middle of November for ICL's annual convention at the Hilton and Caravel Hotels is something which should not go unnoticed.

It is particularly appropriate that Athens is 1980's chosen venue for two important reasons. Firstly, Greece achieves full membership of the European Economic Community in just 3 months' time. The challenge presented by membership of the EC is great, but the rewards are likewise, and in today's competitive European marketplace,

greater productivity and efficiency through computerisation must be high on the list of priorities of central government and private enterprise alike. It is with this in mind that we remind you that ICL is by far the largest truly European computer company.

Secondly, in August 1980 ICL established a permanent presence in Athens with the arrival of Ray Jackson, Country Manager for Greece. His aim is to co-ordinate the activities of ICL's dealers in Greece, Pan Solomos and Eurodata, and to ensure that all ICL's users in Greece are given the full benefit of ICL's support and expertise.

In view of the close ties between Great Britain and Greece together with ICL's position as a major supplier of computers to the EC, it is expected that ICL will play a major part in helping to computerize both Greek government and industry.

ATHENS METRO EXPANSION STATUS REPORTED

Athens BUSINESS & FINANCE in English 8 Nov 80 pp 9, 10, 11, 32

[Text]

MANY large cities, Paris, London, and Moscow to name just three, have developed an underground railway network, or metro, to facilitate the city communications. Soon, Athens will have one too.

The metro will be made up of two lines. Line A will begin in Egaleo, go through Iera Street to Kera-mikos, Monastiraki, Syntagma, to the Hilton area, along Soutsou Street, across Alexandras Avenue, along Panormou, across Kifissias Avenue, to the Red Cross Hospital, along Messoghion Avenue as far as the Mint, then along the proposed Pendelis Avenue to Gerakas. The total length of this line will be 18.670km.

Line B will begin in Sepolia, near the National Road, and will extend to Attiki Square, Larissa Station, along Deliyanni Street, Karaiskaki Square, Agiou Konstantinou Street, Panepistimiou Square, Syntagma, Makiyanni area, Fix brewery, Analatos, and finally arrive at Daphni. This line, which will be constructed first, is to be 9.515km.

Both lines are expected to have about 30 stations, of which four, (Attiki, Omonia, Monasti-raki and Syntagma) will be connecting stations, where passengers will be able to change from one line to the other and to the present ISAP line. The greater part of the length of these lines will be underground, and only 3km at the northern end of Line A is expected to be in open air.

The lines are expected to be ready in ten years time. The construction programme is so designed as to make it possible to use sections of the network as soon as they become available, so that investments made will not remain idle. Line B is expected to be complete in 1985, and will become operational in the same year. Line A will be ready in 1990.

The restructuring of some bus lines is being programmed simultaneously, and these are to be the connecting services for the new metro. There is also a programme to construct new bus transfer stations, at the metro terminal stations.

Thus, the influence and the beneficial effects of the metro on the level of service provided to public transport users will extend beyond the limits of the two programmed lines. In addition, at the bus transfer stations, such as the one planned for Sepolia, extensive parking facilities will be provided, so that private cars can be left there while their drivers and passengers take the new metro into the main commercial centre.

In the planning of the metro, serious consideration has been given to the tunnels, and the underground stations, which will take up the greatest part of the budget. These, preferably, will be constructed at the shallowest possible depth, and in the minimum of time. It has been internationally proved that the metro, or underground railway is a powerful tool for urban development, which, under good management, can be highly profitable. So planning for the metro is planning not only for urban transportation, but also for general development.

The ten-year-long construction programme will entail a cost of about 43 billion drachmas, at 1979 price levels. This amount covers all the direct and indirect expenses, and also includes the amount of \$385 million necessary in foreign exchange. This exchange will be needed for the purchasing of line equipment and the mechanical, electrical and electronic installations, rolling stocks, maintenance equipment, etc.

Today, the Metro Project Department of ISAP, which has undertaken the construction of the metro, is already at the point of finalising the necessary studies – geotechnical, hydrogeological, etc. – and is proceeding towards the construction of the project.

The first construction works of the metro will be offered for tender in 1980. These will be test tunnels and shafts. They are referred to as "test" tunnels because through them special programmes of scientific tests will take place, to determine the characteristics and behaviour of the earth. The test tunnels will be constructed by Greek contractors.

At the end of 1981, when the final construction studies of the various parts of the metro have

been completed, the construction of the main tunnels will begin. The whole project has been planned so that Line B will be operational in 1985 or the beginning of 1986. Construction and all the associated works will begin following a full examination of the supply of the needed materials.

Clearly, the materials which are not available in Greece will be supplied through international tender, and the suppliers will be chosen on the basis of the cost level and the quality of their product.

During construction, life in the centre will be difficult, and will be disrupted in several ways. In such a project, some disruption of the circulation of traffic is unavoidable. However the Metro Project Department is endeavouring to minimize this inconvenience, and is planning to provide the public with full information on the work being done and possible changes in traffic conditions, bus routes, etc. It expects to enlist the public's support and cooperation.

It is not a simple construction, and it has to be remembered that it is being carried out in one of the most sensitive areas of the country. The inconveniences which will be felt during the construction period will be followed by the enormous advantages that the new metro system will be able to offer the city.

It is expected that by the year 2000, Line B will be transporting 30,000 passengers per hour in each direction. This, on the basis that buses are occupied to 80% of their capacity, corresponds to the service of 380 buses. The contribution the metro will make and the free flow of traffic on the city's surface roads will be realised when it is remembered that the average speed of the traffic in the centre of Athens is 8km/hr. The average speed of the metro in the city centre will be 32km/hr. Thus, the metro will greatly ease the burden of traffic above ground, and transport passengers underground in safety, with speed and comfort. The centre will be relieved of a large number of buses, and they in turn will be relieved of their city centre routes, which are at the moment characterised by low speeds.

So buses will be able to cover more kilometres every day, and as a result, their operations will be

better exploited. It is estimated that in 1985, there will be 18,000 passengers per hour in each direction on Line B, and this will increase to 30,000 for the year 2000. On Line A, there are expected to be 15,000 passengers per hour in each direction by 1990, and 25,000 by the year 2000.

Under the most conservative estimates, the new metro will transport 150 million passengers each year, and with ISAP, will transport about 250 million passengers annually in 2000.

CSO: 4920

GUTTORM HANSEN, STORTING PRESIDENT, REACHES SIXTY

Oslo AFTENPOSTEN in Norwegian 3 Nov 80 p 3

[Article by Kjell Harberg: "Democrat and President"]

[Text] Guttorm Hansen is the preeminent Social Democrat. The Storting President, the quiet, slightly stooped first among those elected by the people, 60 years of age, is often—generally with something of an ironic undertone—called the foremost guardian of constitutional dignity. And this is correct: his task is that of seeing to it that the Storting from day to day functions as it should, and that the hard political fights take place in forms worthy of a national assembly. This, however, is only a part of the total Guttorm Hansen. It can be strongly asserted that he is among the foremost guardians of democracy.

And this is a title of honor. The Storting President knows what a fragile tool he serves; he sees how attempts are made from many directions to undermine our democratic system. And he reacts; to the point of irritation by fellow party members with less sense of the inherent value of the system which is the main pillar of our society; fellow party members who at time find him somewhat grandiloquent and a superior being with somewhat lofty ideals, so to speak.

But he is down to earth, this often so taciturn first among the 155. Many a political opponent has learned that he certainly can have his own opinion in practical, concrete matters, when he turns the president's chair over to another member of the leadership and speaks from the podium instead. In addition, this quiet, warm man from North Trondelag is a first class informal speaker. When, for example, he speaks at the Storting's Christmas dinner, his talk is as it should be: full of humor, light, with surprising points being made—and with a clear undertone of seriousness. One listens to Guttorm Hansen on these more festive occasions as well as when he—not so often, it is true, but weightily, speaks in the Storting. This is perhaps the best testimonial that today can be given to a Storting member: His fellow Storting members, of his own party or opponents, listen when he speaks. He has something to say.

Today he is being honored, by friends in all political camps, in and out of the Storting; among other places in a special publication in his honor: "Guttorm Hansen—Outside the Storting Chamber." Here as well, the congratulators are numerous. And the title of Editor Arve Solstad's introductory chapter is among the best descriptions of the President: "A Reasonable Man."

Storting President Guttorm Hansen was born in Namsos. For many years he was a journalist in the party press. In the middle 1950's he entered fully into local politics after previously having held positions of trust in the AUF [Labor Party Youth Organization] and the Labor Party. He was elected Labor Party Storting representative of North Troendelag in 1961. He was vice-chairman of the party's Storting group in 1965-1971 and 1972-1973, and chairman in 1971 and 1972. Guttorm Hansen has been Storting President since 1973.

11256

CSO: 8139

POLL SHOWS MOST AGAINST CIVIL DISOBEDIENCE

Oslo AFTENPOSTEN in Norwegian 25 Oct 80 p 3

[Text] The majority of the people are against civil disobedience. More than half of the population feels that police must take action against "chain operations" in the area of power plant developments, for example. Half of the population feels that environmental interests are sufficiently protected through approved water power developments. These conclusions can be drawn from Norwegian Market Data's Weekly poll.

"Using the following scale, can you tell me to what extent you agree or disagree with the following statements:

- a. With respect to the development of water power I am, all things considered, positively disposed toward chain operations in a given area to prevent the construction of new power plants.
- b. In areas approved by Parliament for the development of power plants, police should be sent in to remove demonstrators who interfere with the construction work.
- c. Generally speaking, I am opposed to so-called civil disobedience in a democratic society."

Distribution of Answers to Statements

	A	B	C
	1	2	3
1 Completely agree	14	40	49
2	7	14	16
3	20	22	21
4	9	8	5
5 Completely disagree	49	15	8
Don't Know	1	1	1

With respect to development of new power plants in this country--do you feel that environmental interests are given too much consideration, sufficient consideration or too little consideration?

Answers to the questions distributed on the basis of sex and age were as follows:

	Of which:			Age Under:		
	All	Men	Women	30	30-59	60 and Over
	%	%	%	%	%	%
Too much consideration	11	14	8	7	11	15
Sufficient consideration	49	48	50	43	54	45
Not enough consideration	32	31	32	43	28	25
Don't Know	8	7	10	7	7	15
Total in percent	100	100	100	100	100	100

8952

CSO: 3108

SPLIT IN LABOR PARTY OVER STOCKPILING WORRIES SUPPORTERS

Oslo AFTENPOSTEN in Norwegian 23 Oct 80 p 3

[Article by Thorleif Andreassen]

[Text] Large numbers of Labor Party members are deeply worried about the on-going defense-policy debate within the party. "The debate should have been avoided." "Stockpiling is necessary", some party sources point out. "A small resourceful group which has always opposed Norway's membership in NATO is dictating the debate", according to many who feel the debate has gone so far that they consider leaving the party. Many party sources point out that the only thing achieved by the debate has been to harm the Labor Party's image of trustworthiness--"a very unfortunate situation for the nation's largest party, which during the entire postwar period has advocated a steady defense policy inspiring confidence", party circles point out.

The heated debate on stockpiling, which started in the Labor Party, is of serious concern to many Norwegians--both in and out of the country's largest party. The Labor Party should not underestimate the frustration that is spreading within its own ranks--at least not on the local level. According to what AFTENPOSTEN has learned, several local shop stewards and members consider leaving the party for this reason. They are opposed to any "toying" with Norway's defense and security policy.

The statement that a small group which is opposed to NATO membership is dictating the debate on stockpiling is farfetched. There is no indication that Labor Party voters are opposed to stockpiling. On the contrary, it is being stressed in party circles that stockpiling is not new in Norway and that it is necessary. Party circles also reject the claim that stockpiling is contrary to our basic security policy--a claim that is always advanced by those who oppose stockpiling. All indications are that a solid majority in Norway supports the Defense Commission's recommendation of 1974, which establishes: "Development of defense facilities to receive and support allied forces transferred to Norway to assist in the nation's defense falls within the basic security policy which was established in 1975. The same is true of stockpiling equipment, munitions and supplies for such forces--whether the costs be paid by Norway, the countries that provide the forces or jointly financed by the members of NATO.

The recommendation also states that these efforts are designed to permit speedy and effective help from our allies, either in a war situation or when threatened by war.

"The development of naval strength in northern waters--and the great need for transportation to transfer modern units of any size--makes it even more necessary to arrange stockpiling of the heavy equipment associated with the allied forces that would come to our aid when the situation demands it", the Defense Commission points out.

This is clear language--language that meets the approval of most Norwegians. Many have recently clearly expressed a willingness toward defense and want to help maintain a reliable defense policy. That can be seen in the large increase of new members in Norway's Defense Association. A local defense-association chairman told AFTENPOSTEN that people who contact him cite the agonizing stockpiling debate as the reason. "Membership in the association says we want adequate defense", the new members point out.

8952

CSO: 3108

NORDLI: MOST SUPPORT STOCKPILING

Oslo AFTENPOSTEN in Norwegian 27 Oct 80 p 3

[Text] "The Labor Party has played a decisive role in shaping Norwegian security policy during the postwar years and the party has had the primary responsibility for the nation's basic security policy as it stands today. All this has been achieved through open debate within the labor movement, but there has always been a solid majority for the decisions", Prime Minister Odvar Nordli pointed out in an address to members of the Labor Party in Narvik.

"Any attempt to create confusion about the labor movement's broad support of our defense and security policy is most unfortunate. During the ongoing debate, and previously as well, some things have been said that might not be helpful to the party and which I cannot say I am happy about. However, this does not mean I want an end to the security policy debate", said Nordli and he added that political decisions in such a vital area as far as the country is concerned must stand the test of a broad and democratic debate within the organs of a party.

The prime minister also commented on nonsocialist cooperation and he pointed out that what holds the nonsocialist parties together today and what they say is the basis for their cooperation is simply that they would like to take control of the government.

"During the debate on the state-of-the-nation report, there were several instances in which the nonsocialist parties used the rostrum to attack one another and to sow distrust about one another. When in a debate which is primarily designed to give the opposition a chance to present its views and criticism, they choose to spend much time quarreling among themselves, this does not bear witness to a great spirit of cooperation", said Nordli. He also clearly emphasized that nothing has changed with respect to the so-called nonsocialist alternative.

8952

CSO: 3108

PAPER DENOUNCES 'PRAVDA' ATTACK ON STOCKPILING PLANS

Oslo AFTENPOSTEN in Norwegian 30 Oct 80 p 2

[Editorial]

[Text] Those Norwegians who believed the Soviets would honor the government's reluctance to stockpile must have been very disappointed about Tuesday's broadside attack on Norwegian defense policy by the party organ PRAVDA. Our decision to avoid stockpiling in North Norway and to accept American military equipment in Trondelag instead, seems to have whetted the Soviet appetite for concessions from Norway. We have received confirmation--for who knows which time?--that indulging the allies is not the way to reach agreement with the Soviet Union on vital security issues.

In a long, 7-column article dealing with North Norway's security, PRAVDA claims that stockpiling "provides the material condition which will undermine the foundation of Norway's defense policy"--and, in Moscow's opinion, the major element in this policy is Norway's refusal to station foreign troops and nuclear weapons on Norwegian soil. The Soviet newspaper criticizes NATO exercises in Norway, our electronic surveillance, which provides insight and stability, and not least our air and naval bases, which are part of Norway's defense as well as that of joint Western defense.

The PRAVDA article is characterized by its massive criticism of Nordic NATO-nations' ties with the United States, without even mentioning our role as a West-European ally--especially since NATO agreed to modernize its medium-range weapons last year. This attempt to drive a wedge in the relationship between North Europe and the United States is just as obvious as their attempts to create friction between Finland and Nordic NATO allies: Finns are being praised unconditionally, especially Kekkonen's plan for a nuclear-free zone in North Europe--a plan which has also received support in some political circles in Norway. The party organ states that we, the Norwegian public, have "very good reason to be alarmed" and, for this reason, "the protest movement against Washington's dangerous plans is growing in North-European countries." And while the Kremlin is currently pursuing a policy of containment which counters all hopes of relaxing tension in Central Europe, PRAVDA exhorts people in the North to fight a government policy which undermines the relaxation of tension.

It is interesting that the paper's broad commentary on the situation in North Europe indirectly reminds us that conditions are no longer what they used to be when NATO was first established shortly after the last world war--at that time the United States was the completely dominant power. We might concur that the Russians today, after

having achieved virtual military equality with the United States, want Norway to adjust itself to the new power situation by being more sympathetic toward Soviet interests, for example--by weakening its ties with the alliance and refusing to participate in certain military efforts. We also note that PRAVDA does not say anything about Soviet military efforts in the area, while it criticizes increased Western defense budgets. Therefore, it might be in order to repeat what Foreign Minister Knut Frydenlund said in an address last Monday: The basis for NATO's long-term defense program "must be sought in the systematic priority Soviets have given the the military, with four to five percent real growth in military expenditures for more than a decade. This has created an imbalance which is worrisome and must be stopped."

This opinion is so widely supported among the Western nations that Moscow ought to take it seriously too.

8952

CSO: 3108

STARTING DEFENSE DEBATE REVEALS BROAD UNITY ON ISSUES

Oslo ARBEIDERBLADET in Norwegian 25 Oct 80 p 3

[Article by Nils Ottar Ask]

[Text] "After 2 days of debate in which security policy was the central issue, it can be stated there is broad agreement in Parliament on the major points in the government's defense and security policy. Likewise, there is broad unity across political lines about the importance of armament reduction," said Prime Minister Odvar Nordli last evening at the conclusion of the parliamentary debate on the report of the state of the nation.

The prime minister felt it was necessary to emphasize that because of the attempts that have been made to create confusion about these completely central issues. He attached great importance to the broad unity in light of the precarious world in which we live.

However, the issues of stockpiling and security policy were less dominant yesterday than on the first day of the debate. Thorbjorn Berntsen, who has been the central figure in that debate in the Labor Party, said there had been a distorted representation of the Labor Party's discussion of that issue.

He felt that virtually the entire nonsocialist press had obviously decided to portray the Labor Party as a deeply split party whose members strongly disagree on the issue of security policy. "This distorted representation has created problems and at times aided in the suppression of essential points in an important debate", said Berntsen.

The opposition continued to attack the government and its policies. Conservative Party Chairman Jo Benkow criticized the government for having allowed the nation to become dependent upon oil revenues, which, in his opinion, is at variance with parliamentary assumptions. "The way things stand now it will be impossible to resist more oil drilling because we have become dependent upon increasing oil revenues", he said among other things.

Kjell Magne Bondevik, Christian People's Party, wanted a more relaxed debate on the issues of cooperation. "This debate is somewhat strained", he said.

Minister of Municipal Affairs Harriet Andreassen said that this year's building program will not fall much short of the expected goal of 36,000 housing starts. She pointed out that new home construction has picked up remarkably in the last few months.

Social Affairs Minister Arne Nielsen advocated that health and social services be coordinated on the local level in order to solve problems of the elderly, the disabled, psychiatric patients and alcohol and drug abusers.

Kjell Magne Fredheim (Labor Party) called those nonsocialist politicians to account who argue that thanks to oil Norway has managed to avoid unemployment, which plagues the rest of the Western world.

"That is true enough, but take a look across the North Sea to Great Britain. It also has oil, but unemployment there is formidable. And that is because British Government policies differ from ours", said Fredheim.

8952

CSO: 3108

STRATEGIC IMPORTANCE OF NORTH NORWAY INCREASING

Oslo ARBEIDERBLADET in Norwegian 27 Oct 80 p 7

[Article by Pal Nordenborg]

[Text] North Norway and surrounding waters have become one of the most important areas in the world in the current test of military strength between the Soviet Union and the United States. South Norway is also being considered as a last link in the defense of the Baltic Sea outlet and as an area base for military operations in Denmark and North Germany. These are the essential features of Norway's military role internationally. New technology and electronic military equipment add to Norway's importance as an ally of NATO and the United States.

In this article ARBEIDERBLADET gives examples of the role Norway is about to assume in the development of future Western military preparedness. This information is based on available scientific literature, Norwegian and foreign sources and on press releases. The question one might ask is this: Where is the dividing line between initiatives that increase tension and initiatives that reduce it?

In the Air

Establishment of depots for up to 300 allied fighter planes (fighters and fighter bombers). Stockpiling will include munitions like missiles and bombs, fuel and spare parts. This stockpiling will be completed within a short time. It is estimated that equipment for more than 200 planes is already in place near air bases in Norway.

The depots will supplement aircraft carriers and serve as land-based repair shops. These aircraft carrier-based fighter planes are long-range and have great offensive power. Besides aiding land-based military forces, they can also penetrate deeply into Soviet territory. From a military point of view, the depots will serve as bases for air operations in Central Europe and northern parts of the Soviet Union.

The Phantom, for instance, which operates from land as well as from ship, has a range of 300 Norwegian miles and an operating radius of 158 miles.

Norwegian air bases might also be used for American strategic forces' planes. The F-111 has been tested several times from Norwegian air bases and has been the object of Norwegian antiaircraft missiles.

The United States is prepared to transfer half of its strategic FB-111-A fighter bombers to Europe. Air bases in Norway might be used for part of this strategic force of almost 70 fighter bombers.

Carrier-based as well as strategic planes constitute part of the list of military equipment which the Soviet Union wants included in upcoming SALT II negotiations because they are usually listed with nuclear weapons.

On the Ground

Stockpiling equipment for a small U.S. Marine brigade in Trondelag. Negotiations are in progress. This detachment is not earmarked but is part of a force that can be deployed several places and in connection with naval operations.

By following the usual stockpiling procedure in connection with U.S. Marine installations, the depots will contain heavy weapons, like 18 to 24 155-mm field-artillery cannons, together with ammunition and parts, a large number of vehicles, like armored personnel vehicles and trucks, fuel, provisions and other field equipment for 10,000 men.

The normal marine infantry brigade consists of 14,000 to 16,000 soldiers.

The establishment of a marine infantry brigade also requires advance stockpiling of munitions, fuel and spare parts for airplanes. A marine infantry brigade's tactical force includes 45 to 65 fighter planes under the command of the brigade's commanding officer. The most popular planes are the Phantom and the Harrier. Such a brigade will also be equipped with a large number of helicopters, which accompany the units.

Furthermore, equipment which is being stockpiled in North Norway for a combined Norwegian regiment (5,000 men) can also be used by other allied units, by U.S. marines, for example, whose equipment is similar.

Stockpiling division equipment in North Norway, weapons and munitions earmarked for a Canadian brigade (5,000 men). Negotiations are in progress.

British and Dutch marine infantry units receive winter training in Norway but are not earmarked for Norway alone.

In the Ocean

Norway provides research and development of electronic equipment used in submarine detection. Norwegian research in connection with passive sonar (listening equipment on the ocean floor) and the development of data systems to process incoming sounds from the ocean floor are particularly important.

Part of the American global detection system SOSuS includes a chain of such microphones on the ocean floor (hydrophones) in "the bottleneck" between Svalbard and Finnmark. Norway provides the land-based hookup and processes the incoming data.

Orion planes, which operate from Norwegian air bases, are also important in the detection of submarines and in antisubmarine warfare in the Barents Sea and the Norwegian Sea. NATO coordinates this detection system and Norway has been assigned the easternmost area, including the Barents Sea.

There will be disagreement as to whether the listening system and the air detection system are tactical in nature, i.e. intended for submarines that might threaten allied convoys, or whether they are strategic, i.e. intended for Soviet submarines equipped with intercontinental nuclear missiles.

However, authoritative American reports leave little doubt that the strategic importance carries the greater weight. The object of the surveillance systems is primarily to destroy submarines that carry ballistic missiles intended for strategic targets in the United States.

At Sea

At the end of the 1950's Parliament agreed to stockpile equipment for allied naval forces, including the construction of munitions depots for West German naval forces. Due to growing American military presence in the Middle East, the West German Navy will also gain importance.

Nuclear Weapons-Conventional Weapons

Land, air and naval depots on Norwegian soil will not contain nuclear munitions because of Norway's nuclear policy, which remains unchanged. But the artillery systems which will be stockpiled as well as the planes included in the stockpiling carry nuclear weapons.

In a couple of years the United States will have produced automatic cruise missiles with conventional loading, which could become part of the F-16 equipment. With their absolute precision and a range of 60 Norwegian miles, the cruise missiles can pinpoint targets on the Kola Peninsula. This new type missile can also be used with other carriers stationed in Norway, from land as well as from the air.

With these weapons systems, the distinction between conventional and nuclear weapons will be obliterated. This could upset the strategic balance between the two super-powers and dramatically lower the nuclear threshold.

Even though most of the Soviet Union's strategic nuclear force is land-based, Soviet submarines constitute the most dependable retaliatory force. By placing new, high-precision cruise missiles on planes or on the ground within sufficiently close range, Western powers would be able to strike one of the Eastern powers' most important nuclear retaliatory weapons bases, without employing nuclear weapons themselves. Norway is one of the few places in the world from which this could be done.

By making the bases less safe, submarines would be forced to remain at sea for longer periods, thus increasing the need for more strategic submarines. Russian tactical nuclear weapons close to Norwegian territory could also be targeted by the new cruise missile, which is capable of carrying nuclear or conventional warheads. Nuclear warheads allow more room for fuel and can be used longer range; conventional warheads require more room at the expense of fuel and distance.

DISPUTE OVER SPENDING OF OIL INCOME CONTINUES

Fight Over Oil Money

Stockholm SVENSKA DAGBLADET in Swedish 28 Oct 80 p 25

[Article by Bjorn Lindahl]

[Excerpts] It is hard to grasp how much oil and gas the Norwegians have today. At a moderate rate of extraction--about nine times what the Norwegians consume themselves--the resources will last for hundreds of years.

But Norway is not getting that oil and gas for nothing. So far 55 billion Norwegian kroner have been invested in permanent facilities and pipelines on the Norwegian continental shelf. It has taken hard and risky work by thousands of people on the oil platforms and on ships in the North Sea. Advanced techniques have been acquired with great effort and there have been stiff conflicts with foreign oil companies.

Now the country is facing what may be the hardest problem so far, how to use the money. The question is whether the oil money will be used to bridge the gaps that exist in Norwegian society or whether it will widen and intensify new gaps.

North Norway

One of the gaps comes from regional differences. To date the oil activity has not contributed much to the central and northern sections of the country. Labor market statistics for January 1980 show that only 52 people in North Norway were employed in oil-related jobs. The figure for central Norway was 4300 people out of the total of approximately 34,000 people in the country who are employed in oil-related activities. At the same time unemployment was highest in North Norway, 3.4 percent compared with 1.1 percent in the Oslo area.

The national budget for 1981 estimates that the Norwegian state will get about 29 billion Norwegian kroner in direct taxes and fees from the oil activities on the continental shelf. This compares with 18 billion in 1980 and 3 billion in 1977.

The average man might consider this an enviable situation. But revenues from the North Sea have a very special effect on the Norwegian economy.

When state revenues from the oil sector rise this does not lead to a decline in domestic demand as it does when other taxes increase.

If the state decides to use the oil money to finance tax breaks or to increase public spending total domestic consumption will rise.

Printing Extra Money

The result is the same as if the Norwegian National Bank printed up 29 billion kroner in Norwegian currency without withdrawing any old bills from circulation. If we start with low unemployment this is what will happen:

More must be produced in the sectors where demand increases.

High production levels lead to increased employment.

A tight labor market leads to increased wages, with higher prices as one of the consequences.

Higher prices will lead to demands for higher wages even in businesses with no increased demand.

Higher wage costs and higher prices will weaken competitiveness, with export industries losing part of their markets.

Thus, assuming that the state does not step in and keep firms going with subsidies, the oil income if used to increase consumption will lead to knocking out other export industries.

And the labor market statistics show that this has happened. Between 1974 and 1979 the public sector in Norway increased by 60,000 people. Industrial workers declined by 20,000.

Great Expectations

But there are great expectations from the oil revenues. This summer offshore workers, those who work on extracting the oil, went on strike with demands for wage increases amounting to a hike of over 50 percent if we include shorter work hours and a lower retirement age.

And the government has been unable to resist pressure from wage earners. In 1975, 1976 and 1977 private and public consumption increased 20 percent in terms of fixed prices. At the same time the nation's disposable real income rose less than 5 percent.

In September 1978 the government put on the brakes. A wage and price freeze was introduced which lasted to the end of 1979. This improved Norwegian

industry's cost per unit produced by 15 percent compared with its most important trade partners but that is only half as much as the amount needed to get back to the situation in 1970.

As long as the oil revenues increase the government will be able to keep repairing the damage they create. But even the repair works leads to still more damage in the opinion of economists. What happens when the oil income levels off in the mid-1980's?

Free Trips to Hawaii

Is there no way to use the oil money without creating a harmful situation? Well, yes. The Norwegian government could give all Norwegians a free trip to Hawaii without affecting the rest of the national economy. The country can buy its goods and services from other countries. But then there is a risk that the country will be left at the same level when the oil runs out as it was when the oil was first discovered.

The only way, according to Finn Lied, who was chairman of a committee studying the growth possibilities for Norwegian industry, is to increase national productivity. Through investments in machinery and new technology demand can be met without straining the labor market.

But increased productivity means more rapid structural changes. Even though politicians and labor unions agree that this should be done by increasing mobility from one job to another rather than through geographical mobility it is hard to imagine how this can be accomplished flexibly in all the places that are dominated by a single industry. It also means that base industries will have an even harder time surviving.

Labor Factions Given Responsibility

"It is a major responsibility of the labor market factions to arrive at an agreement that will not lead to too great a decline in our competitiveness."

This plainspoken directive was issued to labor groups in the 1981 budget bill.

Since 1975 Norwegian labor contracts have been coordinated through steps taken by the government.

"Our conclusion is that this coordination contributed to our ability to maintain buying power by linking nominal wage increases to tax policy," said Tor Halvorsen, chairman of Norway's LO [Norwegian Federation of Trade Unions].

"The coordination has been deceptive. Throughout the 1970's people with extensive education lost in buying power while industrial workers gained. The same year coordination was introduced the gap widened between us and LO," said Oddmund Harr, chairman of the Academicians Central Union.

Rich Government a Threat to Industry

"King Philip II of Spain found gold and after that his country stagnated for 500 years. I think we can probably avoid that but the oil income can have negative effects on the Norwegian economy if it is used incorrectly." So said Egil Bakke, head of the economic division of the Norwegian Industrial League.

"The production in the North Sea has had a very positive effect on Norwegian industry. It has given employment and orders in a recession period. The oil sector has also been a demanding customer, helping to raise quality awareness in industry.

"But the government has been tempted into using 17 billion kroner more than Norwegian taxpayers were asked to pay. This has clearly led to overheating the economy. In the last 5 or 6 years Norway's cost per unit produced has risen 35-40 percent more than in the other OECD nations."

State Buying People

It is the shift toward increased public consumption that is weakening industry, in the view of Egil Bakke. Since unemployment was low before the state began pumping the oil revenues into the economy the state practically has to "buy" people away from private business to get new labor in the social services sector, health care, consumer agencies, etc.

"The number of industrial workers has declined. Today industry produces less than it did in 1974. In all other industrial countries production has risen in this period, even in Great Britain," Egil Bakke said.

Risk of Inflation

"The weakened competitiveness which led to this result will continue to be a factor. There is a big risk that if we go on inflating state budgets with oil revenues and currency pressure we will start a process that will weaken our underlying possibilities for growth in the long run."

The important thing is not to stare blindly at the oil money, Egil Bakke said. Today this money accounts for only 40 of the 270 billion kroner in the Norwegian gross national product.

"If our capacity for growth is weakened so much that the economy of mainland Norway grows 'only' 2 percent a year when it might otherwise have increased 3 percent we will soon have less money than if we had never had any oil income at all," said Egil Bakke.

Minister Refutes Criticism of Budget

Ulf Sand is the finance minister who in his state budget for 1981 not only managed to use 29 billion Norwegian kroner in oil revenues but also had to borrow an additional 3.8 billion kroner.

"There are always people who scream that the budget is too expansive--and in the next breath they complain about the areas that are getting too little money. I'm not too impressed by this criticism," said Ulf Sand. He doesn't think it is strange that his budget has been criticized by the opposition.

"This is the last big economic document the government will issue before the election and it serves as the starting signal for the campaign," he said.

Criticism from his own ranks is certainly harder to take. Several LO unions have charged that the state budget does not have an adequate social profile.

Full Employment

"I will just respond to these critics with a few key words. We have maintained full employment and have a separate action plan for North Norway, we are strengthening the position of families with children and we are giving pension recipients more than other groups. We have a low-wage profile in the wage agreements and we are managing to maintain public consumption," he said.

It is unrealistic not to use the oil money at all. What is needed now is to integrate the oil sector and the rest of the economy. The oil provides opportunities that the country would never have had otherwise.

"If we were just sitting and gloating over our oil income it would be a different matter but we are using the money to invest in industry. Norway has the highest investment level in Europe.

"Many groups have become used to a standard increase each year but we must stop at the level we have now. In the budget we are counting on a decline in disposable real income of 0.5 percent in the nation as a whole from 1980 to 1981."

Ulf Sand does not rule out the idea of reinstating a general price and wage freeze but it would require broad political agreement.

Rapid Repayment

"One of the negative effects was that we locked many people in at certain wage rates. But it looks as if the improvement in our competitiveness with other countries of 15 percent which we managed to achieve will continue."

Even though Ulf Sand is using a lot of money, as finance minister he can also look forward to repaying the state's foreign debts in record time. By 1985 there will only be 60 million kroner remaining of the 32 billion kroner in foreign debts which the Norwegian state owes this year.

Double Stupidity

Stockholm SVENSKA DAGBLADET in Swedish 28 Oct 80 p 25

[Article by Lars Hellberg]

[Text] Since January 1978 Lars Hellberg has been the Swedish correspondent for the Norwegian paper, AFTEN-POSTEN.

"There were not many people present. But to make up for it there was no shortage of viewpoints."

When one tries to describe relations between Norway and Sweden 75 years after the dissolution of their union one need not hesitate. For if there is anything typical of the lost opportunities it is the fact that there has never been a "shortage of viewpoints." It has been a little harder to come up with solid ideas.

Incidentally the opening sentence was taken from an account of the meeting in Bern's auditorium at Christmastime in 1894 when they were preparing for the founding of the Norwegian Society in Stockholm. Probably the only reason the society came about at all then was that only "Norwegian Norwegians from Norway" took part.

Norwegian-Swedish cooperation has been more difficult. Today, 75 years after the dissolution of the union, Norwegian-Swedish opportunities are still being wasted. Our awareness of the fact that Norway at that time was just a trade product for the superpowers of the day, of which Sweden was one, has left us with a 1905 complex. This complex is shown in concrete form by an insatiable Norwegian need to prove--especially to ourselves--that we can stand on our own two feet.

Swedish mental limitations are shown by the fact that very few Swedes have discovered that Norway is made up of 4 million people who can buy Swedish products. And only a fraction of these few people also grasp the enormous possibilities in an industrial and energy policy cooperation. Norway is becoming an interesting industrial cooperation partner, at least if one is able to look further ahead than the usual 14 days.

'Have the Swedes Cheated Us Again?'

For us Norwegians the Volvo negotiations were just the most recent example of how future-oriented cooperative projects bring up the question as to whether the "Swedes have cheated us again." As a Norwegian I must admit that the headline containing these words, printed in large letters in a Norwegian newspaper as if it announced another world war, is unfortunately representative of the way we think.

But it isn't true that the only complexes are on this side of the border. I know of no Norwegian politician, or journalist for that matter, who hasn't met at least one Swede who sooner or later gets a glazed look in his eyes and asks, "Was that unfortunate dissolution of the union really necessary?"

Yes, it was necessary. Perhaps Scandinavia would have looked different if the Swedes had acted like a people even before 1905.

Difference Between Speeches and Economics

Enough of that. What we, at any rate we Norwegians, are struggling with is not some historic decision but the effects of what has happened. What the failure tells us is that a future interaction between independent nations, even those based on a somewhat overstated mutual cultural tradition, must be based on projects that benefit both sides.

But here our old Norwegian union complex and the more recent irritating Swedish oil complex have tricked both countries. It has happened and still does happen that the historic Norwegian distrust of our Swedish big brother results in our not seeing the woods for the trees. People in both countries fall for what Karl Marx called a false awareness.

This false awareness was demonstrated full force during the Volvo negotiations on the Swedish side also.

No Dog, But the Hole Was Big

My Swedish friends will have to excuse me. The fact is that a loosely-knit group of stockholders started digging and digging in the conviction that a dog was buried somewhere in the agreement. No dog was ever discovered. But my goodness, what a hole they made!

And the hole became a grave in which they later laid to rest important things of mutual value.

It is another matter altogether that Volvo chief Pehr G. Gyllenhammar, against all the odds, managed to save important parts of the package. He succeeded in realizing a great many of his ideas in practical Norwegian-Swedish action. In a way this confirmed that something worthwhile often grows in the ruins of big Norwegian-Swedish cooperative projects.

But in order to utilize the opportunities we must first rid ourselves of childhood complexes on both sides. We have a long way to go.

Same Opposition Here and There

Take the politicians, for example. How do they benefit from each other's successes, mistakes and experiences? The closest they have come so far is that the Swedish Social Democrats have adopted a tax outline which their Norwegian party comrades have not yet been able to present in Norway. Norwegian politicians love to buy Swedish school experiments several years after the Swedes have decided to abandon them. We pay a steep price for experience we could acquire for nothing.

In Norway we now have a Social Democratic minority government which pursues a policy that is almost interchangeable with the policy pursued in Sweden by its

nonsocialist government. The mirror image is complete. Both governments are opposed by an opposition with overlapping arguments.

For when we peel off the new wealth from the oil deposits the problems are largely identical for both countries.

And in this perspective it is not true that what is good for us could not possibly benefit Sweden and vice versa. It is true that I heard a highly-placed Swedish politician say a few years ago that "one can buy oil cheaper on the spot market than in Norway." But he is intelligent enough not to repeat that statement today.

For that gibe expresses an arrogance that is just as stupid as the kind shown when Norwegians beat their chests. Sweden can get along without Norwegian oil just as well as Norwegians can build up their industry without help from Sweden. Blessed simplicity, as we say in Norwegian.

6578

CSO: 3109

BRIEFS

PARTY AUXILIARY BACKS STOCKPILING--"Norway must speed up the work of stockpiling heavy American military equipment in this country," according to a statement by the Christian People's Party Student Organization. "Soviet expansion in the North has endangered allied reinforcements in the event of war. Thus, in accordance with our basic security policy, we must insure NATO support by stockpiling the equipment necessary for the defense of North Norway," the student organization further commented. "The Soviet union has shown itself to be the greatest threat to peace the world has seen in the last decade. Hungary, Czechoslovakia and Afghanistan are the most obvious examples of this--and, at the same time, the Soviet Union takes advantage of satellite nations to suppress and imperialize large parts of Jordan, Cambodia, Eritrea, Angola and a number of other countries. Norway has reason to fear an invasion from the Soviet Union as well and therefore it is important that we be willing to openly plan our defense strategy." The Christian People's Party Student Organization considers it natural that Troms be used for stockpiling. This is where the eventual war over North Norway will be fought. Hence, this is also where the stockpiles should be for their best possible utilization and thus the best possible deterrent to an invasion. The Soviet Union knows that the West will never consider the invasion of Russian territory as part of its military policy. The student organization sees no reason why the Soviet Union should actually feel threatened by Norway's defense and, therefore, does not accept the propaganda that the Soviets fear the actual stockpiling. "The Norwegian Government must take a firm stand with respect to our security policy and not yield to compromises that could harm national interests," the statement concluded. [Text] [Oslo AFTENPOSTEN in Norwegian 30 Oct 80 p 5] 8952

BOOK AGAINST STOCKPILING--Expostulation and criticism of the stockpiling issue is the central theme of the articles in a book entitled "Stockpiling in Norway?" which is being published by Pax publishing house. "It is degrading for the Norwegian public to have to get its information one-sidedly from American sources and from occasional press leaks. The lack of information and the government's forced handling of the stockpiling issue was the reason for writing the book," editor Magne Barth pointed out. The articles in the book were written by 11 individuals--namely: Per Berg, a student at the Institute for Peace Research; Bergfrid Fjose, a former representative in Parliament; Berge Furre, chairman of the Socialist Liberal Party; Professor Johan Galtung; Nils Petter Gleditsch, a researcher with the Institute for Peace Research; Major Anders Hellebust; Arne Kjøkkvoll, historian; Sverre Lodgaard, political scientist; Malvern Lumsden, social psychologist; Martin Sater, a researcher with Norway's Foreign Affairs Institute and Rolf Thue, director of information with the Directorate for Civil Preparedness. [Text] [Oslo AFTENPOSTEN in Norwegian 30 Oct 80 p 5] 8952

PARTY LEADER BACKS STOCKPILING—"Current plans to stockpile allied military equipment is designed to preserve the foundation of Norway's basic security policy, but will obviously be of advantage to other Nordic countries as well", parliamentary representative Per A. Utsi (Labor Party) pointed out at a recent Nordic Council seminar. The assistant chairman of the Defense Committee in Parliament emphasized that stockpiling will guarantee safe and speedy allied assistance in the event of a crisis. "We thus avoid changing our basic security policy--leaving this policy as an important foundation for Nordic security", said Utsi, who felt that stockpiling, in addition to serving Norway's security needs, will obviously be of advantage to other Nordic countries as well. As long as allied military forces are not stationed in Norway or Denmark, no one can rightfully claim that our policies create tension with respect to other Nordic countries that have chosen different solutions to the issue of security", said the assistant chairman of the Defense Committee in Parliament. [Text] [Oslo AFTENPOSTEN in Norwegian 28 Oct 80 p 3] 8952

STOLTENBERG DENOUNCES CHEMICAL WEAPONS—"I have taken the initiative and contacted Arthur Svensson, the chairman of Norway's Industrial Chemical Workers' Union, regarding joint efforts to stop the production of chemical weapons worldwide and to eliminate already existing weapons of this type", said defense minister Thorvald Stoltenberg at a Labor Party meeting in Telemark last Saturday. The defense minister emphasized the unions' importance, in addition to that of the government, in the pursuit of international disarmament. "We must try new avenues in our attempt to influence decisions concerning armaments. We must above all influence the superpowers. The unions provide one such avenue", said Stoltenberg. [Text] [Oslo AFTENPOSTEN in Norwegian 27 Oct 80 p 3] 8952

CSO: 3108

EANES OUTLINES PRESIDENTIAL DUTIES, PROGRAMS, GUIDELINES

LD271113 Lisbon DIARIO DE NOTICIAS in Portuguese 19 Nov 80 p 3

[Unattributed report on President Ramalho Eanes 18 November press conference in Lisbon: "Reelection Program No Makeshift Document"]

[Excerpts] Referring to relations among the state bodies, Eanes declared that "the chief of state, the Assembly of the Republic and the government are all linked by a duty to cooperate and by an institutional solidarity which obliges them to respect democracy and popular sovereignty, through a respect for each other." Therefore, he added, "institutional solidarity among the democratically-legitimized state bodies must continue to be the dominant characteristic of Portuguese life in the coming years. Any other attitude would be a betrayal of democracy."

Eanes also described the semi-presidentialist system as "positive, because it corresponds to the need for balanced government in Portuguese society." Nevertheless, he said he believed it legitimate for other people to want to alter it, as long as they do so without deceit and within the terms laid down in the constitution.

"In a system having the division of powers that characterizes ours," he said, the president of the republic "must remain calm and impartial in his stances." He stressed in this connection that it was his moderating and consistent action which made possible "democratic government alternation and the recovery of the economy."

Winding up his comments on his reelection program, General Ramalho Eanes also discussed the issue of the armed forces and our foreign relations. Concerning the armed forces, he expressed confidence that the progress that has been made "permits us to face the future with confidence." He explained that the armed forces now refuse "to provide armed support for a government that does not observe democratic legality." And that the conditions have been created for the armed forces' normal integration into democratic organization and total subordination to a legitimate civilian political authority.

With regard to foreign relations, Eanes pointed to the fact that they are proceeding securely, without any ambiguities. He particularly emphasized Portugal's presence within NATO--where, he said, "we have fully shouldered our responsibilities"--our country's future membership of the common market and Portuguese-African relations, especially with the former colonies, which correspond to the kind of policy required of Europe.

General Ramalho Eanes defined the "fundamental values" on which the president of the republic's action rests and which "dictate the major guidelines for his decisions." In short, they are pluralist democracy, freedom, social solidarity, justice, human dignity and the defense of national identity."

According to the second section of the program ("General Principles of Political Action") this framework of values governs "the norms of essential consistency to which all political decisions must be subordinated." Therefore, "within the specific conditions of the exercise of political action, the president of the republic defines the following global principles, which will continue to guide his action":

"1. Guarantee of the defense and stable revolution of the democratic system." In this regard Eanes believes that "the democratic system's first and foremost defense lies in its natural superiority over any other political system, since it is the one which fully guarantees the fulfillment of the respect for human dignity." Next he said it is imperative "to guarantee the defense of the democratic system." Rejecting "any form of restriction of freedom," the unfair application of justice, the erosion of "rights gained by the citizens and social groups" and all forms of repression and exploitation. He said it is also essential to strengthen the "conditions of democratic pluralism, together with the full vitality of the political parties" and "the bonds of social solidarity" and that an attempt be made to maintain "the conditions for a balanced political system, which is essential for securing the necessary consensus for performing the tasks in the national interest." Hence, the need to avert "the danger of violent splits with respect to crisis situations" and "never to permit the transgression of the fundamental rules of democratic legitimacy, particularly of the rule demanding the formation of qualified [two-thirds] majorities for decisions involving the alteration of the constitutional framework."

"2. The democratic legitimacy of the president of the republic." The program states in this connection that "it is through the ideas and stances of the elected president of the republic that his mandate is legitimized since his options become apparent solely and specifically from his political showing, his statements and his political program." The president of the republic "is bound primarily, as president of all the Portuguese people, to guarantee democracy, the continuity of the institutions and national unity" and to "guarantee relations of institutional solidarity" within "full respect for the specificity of functions and legitimacy of particular mandates," particularly between "the president of the republic and the government and between the president of the republic and the assembly of the republic."

"3. The political function of the president of the republic." In accordance with the constitution, "as a state body with specific democratic political responsibility, the president of the republic neither replaces nor interferes with the areas of activity proper to the other state bodies."

Furthermore, "the president of the republic will not combine his political duties with any military command duties, though maintaining his constitutional obligations as supreme commander of the armed forces." Furthermore, he will

maintain "his objectives of securing political and social consensus as factors of stability and consistency, of resolving conflicts through negotiation and of encouraging actions of cooperation between differing interests, which will help to strengthen social solidarity." With regard to the revision of the constitution, which "is a matter entirely for a parliament having constituent mandate," the president of the republic must shoulder "the responsibility for ensuring observance of the norms governing a revision which will guarantee stability and consensus with the rules that will govern political actions."

In the next section the program outlines "domestic ideas and policy." First it points out that the president of the republic "takes no direct action in the executive sphere, according to our constitution" and lists the guidelines that shape "the democratic state at the service the Portuguese people's freedom, security and dignity" in an initial point. It advocates "an open economy being modernized by the market as the basic regulator and based on an effective complementarity between private economic agents and the state enterprise sector."

In this connection it adds that "work on the revision of the constitution provides the best opportunity at present...for securing consensus within the framework of the pluralist and democratic conceptions essential to a stable, consistent and secure definition of how our economic system should be organized." Next it envisages "social solidarity as the basis for a democratic policy at the service of freedom, responsibility and dignity" and the need for "a vigorous culture guiding the Portuguese people into the future."

The fourth and final part of the program discusses "the global principles of a democratic foreign policy." Its "main guidelines" are the "conscious defense of our involvement in NATO" without prejudice to adopting a "practical attitude toward defending global balances and a firm stance on guaranteeing our international security." The second essential guideline "is the process of integration into the EEC," an essential step in Portugal's European policy. In this section Ramalho Eanes' program outlines as a third guideline relations "with Portuguese-speaking states, thus corresponding to the confirmation of a thorough consistency and the enhancement of cultural and historical ties which characterize a shared past."

CSO: 3103

NEW PCPV SECRETARY GENERAL GALAN ON PARTY'S PHILOSOPHY

Madrid MUNDO OBRERO in Spanish 3-9 Oct 80 pp 21-22

[Interview with PCPV Secretary General Pepe Galan, by Manuel Carnero; date and place not given]

[Text] Talking with Pepe Galan, the new secretary general of the Communist Party of Valencia (PCPV) about the meeting of the Central Committee at which he was elected, he told us he had spent nearly 2 hours conversing with the correspondent of the best known "independent paper" of Madrid, during which he explained in detail what had happened. From that information, that "clever" journalist had written about 20 lines that bore no resemblance to the truth.

The Central Committee meeting was held for the purpose of studying the work plans of the provincial organizations, the reorganization of the party and an analysis of the autonomy situation.

The problem of restructuring the party's work was really dominated by the resignation of Ernesto Garcia as secretary general of the PCPV. The "event," which was attributed such catastrophic importance by the above-mentioned journalist, had a simple consequence: only one candidate, Jose Galan, was nominated. There was no other proposal, so there was no other option. There were 27 votes for the candidate, 16 against and 12 abstentions.

Unanimity on 151 and on Unity with PSOE

[Question] It has been said that in the PCPV there are differences of opinion about the autonomy question, that some are interested in negotiating separately with the Democratic Center Union (UCD). What about that?

[Answer] These are false speculations that have nothing to do with the truth. We can assert that there is just one opinion among us, and that favors only Article 151. We are also in favor of unity with the Spanish Socialist Workers Party (PSOE). There is absolute unanimity among us.

[Question] It would be interesting to hear your assessment of how this process has come about.

[Answer] The fact is that it is important to achieve unanimity regarding the Statute. But our Socialist comrades did not come through when we had a majority on the Consell,

and this failure was repeated later when the presidency was still in the hands of the Socialists. This shortcoming was emphasized when the Socialists withdrew from the Consell. The UCD took advantage of this situation to block the autonomy process. We Communists agree that the 144 solution that the government is pushing is no good, and we are completely unanimous in saying that autonomy can only be achieved through 151. I should point out that at no time have we planned to reach an understanding with the UCD without the PSOE. On the contrary, our goal is to reach an understanding with the PSOE--you mustn't forget that we are natural allies--and afterwards, together, with the power that unity affords us, to negotiate with the UCD. What we want to stress is that in achieving full autonomy, there must be agreement among the three political forces of Valencia.

[Question] And what about the UCD's position?

[Answer] There are certain sectors of that party who are trying to influence the process with what they have called the historic Valencian compromise. I have said that no one who has any political vision at all can ignore the strength represented by the PSOE.

No Deals with UCD, Not a PSOE Appendage

[Question] Was the PSOE correct in leaving the Consell? Has the situation changed now? What will the PCPV do?

[Answer] The PCPV felt at the time that the PSOE's withdrawal was an unfortunate event. We did not leave then, and we have a very clear position. We do not agree with a policy of making deals with the UCD, nor with being an appendage of the PSOE. So our presence on the Consell was the correct decision. Of course staying on the Consell now does not have the same meaning, because it is becoming a purely administrative entity, without dealing with the political problems of Valencia and without making decisions by a majority vote of the UCD members to confront the central government in view of the problems that are facing Valencia.

[Question] So?

[Answer] Our position is clear and final. If the plenary of the Consell approves the orthographic standards of the Valencian language, as proposed by the mixed commission, we will withdraw from the commission and reconsider withdrawing from the Consell.

[Question] Is the party unanimous on this position?

[Answer] Yes. There is no disagreement on this.

Crisis, Debate and Opinions

[Question] But some media have mentioned a crisis at the heart of the PCPV.

[Answer] Yes. There is no crisis; there is debate, there are opinions, there are discussions. Our party is a living organism. In general, our problems are those of the entire party. Of course they are much less important than those of other parties. Or is it that no one knows what has really happened here in the other parties?

What is happening is that the fact that the autonomy process has become clouded--through no fault of our own--has led to disillusionment among comrades who felt that the political program of our First Congress would become a reality. It is true that our Central Committee has not acted fast enough to come to grips with these issues and resolve them, and that has created tensions that have transcended the leadership and have extended throughout the party.

[Question] How do you see the problem?

[Answer] We must seek an integral solution to provincial and regional problems, that will allow for the strengthening of the party, that will promote the party in sectors and areas where it is still weak, and that will reach that integration by means of the necessary political debate, not limiting the political possibilities of the leadership.

[Question] How do you perceive the party?

[Answer] Our party should be an open party, but one in which democratic centralism is practiced with enough political tact, and in which the party committees play an important role. It should be a Eurocommunist party in the sense that it helps society to advance in the revolutionary process of the geographic area where we are situated. It should be an integral part of the PCE, because the PCPV that is being formed cannot be created on the basis of differences with the PCE, if we want to consolidate it and make progress with it. It must be created on the basis of being a party with the necessary autonomy for handling the problems unique to Valencia, within the framework of our party. For a Eurocommunist party, the highly touted concept of "class nationalism" is a concept we could term "curious," at least, because what a party of this type has to do is develop the class solidarity of workers to a maximum in order to deal with monopolistic capital and the multinationals more successfully.

We Have an Extraordinary Party

[Question] As secretary general, to which you have just been elected, how will you face the immediate future?

[Answer] We must recognize that I am taking office in a difficult situation; but at the same time, we have great confidence in the party. In the executive branch, we are going to assume the direction in which the party will work, based on a catalog of the political problems of Valencia. That list will be presented at the next Central Committee meeting so that it, the executive and the leadership organizations on all levels may play a greater role in establishing within the party a climate of confidence and enthusiasm which will help us prepare for the PCPV Second Congress that is not far off.

[Question] Are you optimistic?

[Answer] Absolutely. We have an extraordinary party. I have a lot of faith in it. Those who speak of a crisis are going to be very surprised. We have a tough organizational job ahead of us, but we are going to come out of it with more energy, more enthusiasm and more security in the party, among our men and women, than ever before.



PCPV Secretary General Jose Galan

PCPV Executive Committee

Carmen Arjona (V)
Fernando Belda (A)
Emmit Bono (V)
Jose Borrás (C)
Antonio J. Castillo (V)
Agustín Coloma (A)
Julian Cudero (V)
Jose Fernandez (A)
Jose Fons (V)
Jose Galan (V)
Ernesto Garcia (V)
Rafael Garro (V)
Joaquín Jordán (V)
Julio Lucas (V)
Antonio Martín Lillo (A)
Antonio Montalbán (V)
Antonio Palomares (V)

Jose M. Perea (A)
Joaquin Romero (V)
Jose Sagarra (A)
Rosalia Sender (V)
Pilar Soler (V)
Jose Soriano (V)
Dionisio Vacas (V)
Pedro Zamora (V)
Vicente Zaragoza Meseguer (C)

(V - Valencia, A - Alicante, C - Castellon)

The Secretary General of the PCPV

Jose Galan Pelaez is 42 years old. He joined the party in 1959. In 1961 he was imprisoned after being convicted by the court of Colonel Rymar. He was the head of the party in the Caceres jail, where he served his term. Since 1969 he has been professor of Economic Theory at the University of Valencia. During that same year he became a member of the party's Provincial Committee in Valencia, and concerned himself with the problems of political training and propaganda. In 1977 he became a member of the Committee of the Country, and was in charge of organizational problems until the First Congress. He has been a Consell member in charge of transportation and social welfare, and now he is on the Valencia Consell without portfolio.

8926

CSO: J110

POLL INDICATES CONSERVATIVES' GROWTH HALTED

Stockholm DAGENS NYHETER in Swedish 2 Nov 80 p 6

[Article by Sven Svensson; "Stabilization for the Center Party; Decline for the Conservatives' Curve"]

[Excerpt]

IN/IMU [DAGENS NYHETER/Institute for Market Research] Pol. of Voter Opinion

	5 19 May- 11 Jun 1980	6 1 Sep- 24 Sep 1980	7 29 Sep- 22 Oct 1980
Number of interviewed registered voters with party preference (= basis for %)	799	836	846
% who indicate "best party":			
Conservatives	23.0%	23.0%	21.9%
Liberal Party	6.9%	8.0%	8.9%
Center Party	16.9%	14.0%	14.0%
Christian Democratic Union	1.9%	1.9%	2.0%
Social Democrats	47.9%	46.9%	48.0%
Left Party-Communists	4.9%	6.9%	5.9%
Other Parties	0.9%	0.9%	0.9%
	100.0%	100.0%	100.0%
% of registered voters who cannot or will not indicate "best party":	3.0%	4.9%	3.9%

Up to now 7 measurements of party preference have been made. In all of the cases the changes between measurement 6 and 7 are within the statistical margin of error.

The measurements were made with nationally representative probability selections of Swedish citizens between the ages of 18-74 years. The interviews
[continued on next page]

[continued from previous page]

were made during visits in the home. The following question was put: "Which party do you think is the best?" An election situation was simulated and party preference indicated by means of "ballots" and "ballot envelopes."

Copyright IN and INU
Copying is permitted
if the source is in-
dicated.

The Social Democrats gain 1.5 percent for a total of 48 percent and are close to a majority of their own in Parliament, while the Conservatives decline by 1.5 percent to 21.5. This was shown by INU's voter barometer for October, but the changes are within the margin of error. The bourgeois government bloc receives 44 percent of the votes as against 53.5 percent for the Social Democrats and the VPK [Left Party-Communists].

The voter poll was made between 29 September and 22 October and shows the following results:

Conservatives 21.5 (-1.5)
Liberal Party 8.5 (+0.5)
Center Party 14.0 (+0)
Social Democrats 48.0 (+1.5)
Left-Party Communists 5.5 (-1)

The Christian Democratic Union and other small parties receive 2.5 percent together. This has the result that the Social Democrats need only gain a few tenths [of a percent] in order to achieve a majority over the bourgeois parties and the VPK combined.

The changes lie within the statistical error of measurement. The economy package and the squabbling about the pensions have not had a noticeable effect on voter opinion.

The Conservative Curve Is now Declining

The only long-term tendency to be seen is that the upturn of the Conservatives' curve since the election of last fall has been broken. The Conservatives have maintained a steady 23 percent in several polls, but have now dropped to 21.5 percent.

For the Center Party a stabilization around 14 percent is perhaps indicated, after a declining curve ever since the election. The figures fluctuate a great deal for the Social Democrats, the Liberal Party and the VPK.

In the election last fall the Conservatives got 20.3 percent, the Liberal Party 10.6, the Center Party 18.1, the Social Democrats 43.2 and the VPK 5.6 percent.

In comparison with the election, the Liberal Party is a few percentage points below and the Center Party four percent below the election result.

Of this loss approximately two percent went to the Conservatives, but four-five percent went to the Social Democrats. The voter poll therefore does not support a conservative turn of voter opinion.

Social Democrats Gain in Major Cities

The INU has also calculated among what groups of voters the shifts occur. The results indicate great shifts primarily in the major cities, where the Conservatives lose ground and the Social Democrats gain.

Nationally, the Conservatives have an average of 21.5 percent voter support, but their following in the major cities has amounted to 39 percent. The figure for October decreases to 32 percent.

In the last poll the Social Democratic support in the major cities was 32 percent, but now it increases to 44 percent. The figure for September may possibly have been too low.

The Liberal Party increases from 8 to 10 percent in the large cities. The VPK drops from 10 to 8 percent.

Aside from the major cities, the Conservatives lose support among men. The proportion of men who support the Conservatives has dropped from 26 to 22 percent.

THE VPK Back Among Women

The tendency is the opposite for the Social Democrats. The Social Democrats have increased their support among women from 45 to 49 percent. The VPK records a decline from 6 to 3 percent among women.

The electorate was also divided into age groups. Nothing indicates that the proposal by the government parties for a cut in the pensioners' benefits has had any greater impact on voter opinion.

In the oldest age group, 50-74 years, the figures are largely unchanged for all parties except for the Conservatives, where the proportion of sympathisers increased from 21 to 24 percent.

In the youngest age group, 18-29 years, the Conservatives drop from 21 to 17 percent and from 25 to 21 percent in the 30-49 year-old group.

The Social Democrats increase from 45 to 48 percent in the 45-48-year group, while the Center Party declines from 13 to 10 percent in the 18-29-year age group.

As usual, the Social Democrats are in a strong position among the workers. Sixty-five percent of the workers vote Social Democratic. The Liberal Party records a gain from 4 to 8 percent among workers and the Conservatives a drop from 11 to 6 percent workers.

PAPER QUESTIONS ABILITY OF PRIME MINISTER FALLDIN

Stockholm DAGENS NYHETER in Swedish 2 Nov 80 p 2

[Editorial by Sven Nycander: "Falldin and the Promises"]

[Text] Why does an honest politician such as Thorbjorn Falldin end up in situations in which his honesty and integrity are in doubt? Is he the only one who has broken promises to the voters? The three bourgeois parties jointly supported the government declaration last year: "The promises which have been made to the pensioners regarding the insuring of the value of the old-age pension and improved pension supplements are to be kept." Falldin is not the only one responsible. Olof Palme as prime minister would scarcely have been able to keep his promise regarding Steel Mill 80.

In the opinion of the Social Democrats, Thorbjorn Falldin is unreliable and dishonest, a man whose word is not worth anything. In their indignation they make themselves guilty of something they often criticize Falldin for. They privatize politics. Falldin's actions are political; all he is accused of he has done as a politician, with the approval of the party. The discussion ought to focus on the Center Party more than on Falldin, and it is rather fruitless to explain the politics of the Center Party with the personal character of the party leader.

The Center Party was previously an agrarian party, a special interest party without ambitions to lead the country's development. The party did not try to offer overall, long-term solution. The environmental awakening and a growing debate within the organizations of the party have led to a promising development, but the Center politics still have fuzzy outlines. The internal connection is fragile.

The "dishonest" trait, the lack of consistency, the tendency to heavily emphasize standpoints which must then be abandoned, is connected with the fact that the Center Party still lacks a well thought-out comprehensive view of society and an internal political debate of sufficient breadth to match the first place role which the party has been assigned by the voters. These shortcomings have made the Center Party a rather capricious cooperation partner, both in national policy and in the municipal districts. In the other parties there are usually complaints about the "populism" and the general looseness of the Center Party.

The ability to take a broad view of society, to have an overview of the causal relationships, is rare in all parties. It gradually emerges in the interplay with the opinions of others, where each one is forced to learn to look critically at one's own convictions as well. A political idea cannot be derived from principles and cannot be replaced by involvement and idealism. Without the uniting perspective, politics disintegrate into fragments, a number of questions with unclear internal connections. Important is mixed with unimportant, the proportions are shifted. What is nearby and short-sighted, which is often a material group interest, is given exaggerated importance.

In a party where there is uncertainty concerning the political goals, one is tempted to create a profile by taking a position in a striking manner on individual issues. One easily falls prey to temporary indignation which grasps at patent solutions and radical measures. The involvement concerns parts, not the whole, and standpoints which have been taken are often elevated to something absolute and unyielding. Firm principles and simple moral attitudes are allowed to replace thought-out political goals. This creates difficulties in practical politics. Whoever is ruled by principles cannot differentiate between compromise, which advances one's own cause, and meaningless self-effacement. He has difficulty understanding his own views as problematic, as something that needs to be explained and motivated, and he is often recognised by the fact that he is referring to his "conscience."

Falldin's tendency to point to his own person, his social background, his own convictions as guarantees for the viewpoints of the Center Party, are rather revealing in this respect. Politicians with greater ideological self-confidence do not try to create credibility in this personal way. What is essential to them is not the taking of positions on individual issues, but the thoughts and ideas that connect the issues, the broad lines of politics.

A party that throughout the years has created a clear political identity in the eyes of the voters does not have as great a need to make promises. In the election campaigns the party tries to explain its efforts and its motives and how these differ from those of other parties. To make promises is a primitive way to conduct politics. This leads with necessity to the breaking of promises. When promises are broken, in the majority of cases it is the promises that are at fault.

11949
CSO: 3109

BOHMAN FORESEES TOUGH WAGE PACT NEGOTIATIONS FOR 1981

Stockholm DAGENS NYMETER in Swedish 29 Oct 80 p 8

[Article by Sven Svensson: "Bohman Predicts Tough Wage Match"]

[Text] Helsinki, Tuesday--There will be a much too small change in the taxes for 1981, so small that it is not worth talking about. This is what Minister of Economics Gosta Bohman explained on Tuesday when he held a press meeting with journalists during his visit to Helsinki.

Bohman therefore foresaw tough wage negotiations for 1981, but firmly promised that the government will not repeat this year's mistakes of presenting a wage package with additional promises in the midst of ongoing wage negotiations.

"It will be extremely difficult to settle the collective bargaining next year," Bohman figured. "The only thing to be hoped for is that the partners in the labor market will understand the seriousness of the economic situation. I believe they do," Bohman said, "although Stalinists have intentionally taken over certain trade unions, for example the Harbor Workers' Union and in part within Volvo."

"In 1978 we got a tremendously responsible wage agreement in Sweden. If we can get a similar agreement in 1981 it will be extraordinarily valuable."

"Before the wage negotiations have even begun, we have a seven percent labor cost increase in the form of delayed effects from this year, a 3 percent sliding wage adjustment and a 1 percent employer surcharge."

The Tail Wags

"The big problem is that we have too many public employees," in Bohman's opinion. Problems occur when the public sector gets ahead of the sector exposed to competition. It is Gunnar Nilsson's problem that the LO [Swedish Federation of Trade Unions] has more people employed in the public sector than in industry, at the same time as the LO believes industry should be the leader in wages.

"Gunnar Nilsson has a tail that wags the dog," Bohman said, and he also believed that Gunnar Nilsson actually sees the problems the same way the government does.

"The biggest problem in Sweden and in the democratic world is to teach people to understand economic relationships," Bohman explained. "It isn't easy to get people to grasp that they will be richer if they have less money in the wallet than if they have more money which is subsequently consumed by inflation."

No Unity

"The situation is easy to explain if there is political unity concerning this. But if 50 percent say that it's so and 50 percent say precisely the opposite the position becomes complicated," Bohman said and referred to, as he said, his "esteemed opponent Palme."

"The 1980 wage agreement in Sweden turned out too high," Bohman explained. "This is why we in the government were forced to raise the value-added tax in order to reduce the pressure of demand."

"It was a result of the fact that the government through its tax package with additional tax relief and food subsidies promised things which later we could not renege on, because we were in the middle of a large conflict in the labor market. We presented the wage package without being certain that the other partner would keep his side of the concluded agreement, that is to say unchanged wages.

"When the other partner did not do so and we faced the alternative of withdrawing the wage package in the knowledge that the conflict would be prolonged for another few months, it is not strange that we gave in and then had to restrict purchasing power by means of the increase in value-added tax," Bohman said. "We will not repeat that mistake in the 1981 collective bargaining," the minister of economics promised.

The Swedish Sickness

"The Swedish sickness" is a popular concept in Finland. Bohman did not think it strange that the concept has evolved. Sweden went around bragging about the Swedish model. When it turned out that the model did not really work, many thought it was great that even Sweden is in trouble.

"The 'Swedish sickness' is the reverse side of a much too rapid development of the standard of living in almost all Western European nations. This is why I can afford to warn Finland as well, even if a direct comparison between our countries is not possible. Finland has its problems ahead," in Bohman's opinion. Keep down expansion when there is still time, was the advice he wanted to give his Finnish colleagues, so that there will not be an explosive inflation development next year.

Lower Demands

On Tuesday Bohman spoke to the Nordic Association and reviewed the economic situation in Sweden. It would be a shame if the people of Sweden were not prepared to give up an increase in the real standard of living for a few years in order thus to create preconditions for a new, firm foundation for a sound economy," Bohman said.

"The longer we delay dealing with our problem, the greater the future difficulties will be. It is in the joint Nordic interest that the 1980's will be characterized by a considerably more realistic view, not only of the opportunities of Sweden but also of the other Nordic countries to pursue a realistic and forceful economic policy in a world with tough competition and much danger."

11949
CSO: 3109

BOHMAN IN FINLAND DISCUSSES 'SWEDISH SICKNESS'

Stockholm DAGENS NYHETER in Swedish 28 Oct p 8

[Article by Sven Svensson: "Bohman in Finland: 'Devaluation Would not Cure "Swedish Sickness"']

[Text] Helsinki, Monday--Sweden is not going to devalue its way out of the economic crisis. This is not a good remedy for the "Swedish sickness." That is what Minister of Economics Gosta Bohman asserted on Monday in Helsinki to Finnish journalists. In 1977 we succeeded, but today there are no preconditions for a successful devaluation, Bohman said. He laid a good deal of the responsibility for today's economic crisis on the 1978 government collapse.

Behind the Helsinki invitation to Gosta Bohman is originally the conservative group of the Swedish People's Party and the Nordic Association. Bohman simultaneously took the opportunity to hold deliberations with the fraternal party the Coalition Party, and later in the week he will meet with Finance Minister Ahti Pekkala and the head of the National Bank, Ahti Karjalainen.

In Finland at present one speaks openly and willingly about the "Swedish sickness," a concept that refers to the economic crisis in Sweden.

Finnish Growth

After a few difficult years Finland's economy now enjoys high growth with good export opportunities and quite low unemployment (see also today's economics page), while the Swedish economy is "ratty" and requires economy measures.

It is the tough income-political solutions which have led to an improvement of the Finnish economy. These agreements were possible because both Social Democrats and the majority group of communists are part of the government. On the other hand, Bohman's party brothers have been banned in any connection with the government for a decade.

But it is because the Coalition Party has forced the sitting government to accept bourgeois solutions that Finland is now in better shape, says Ilkka Suominen, leader of the Coalition Party.

Suominen also pointed out that one has to view the development in Sweden and Finland over a longer period than just a few years. Sweden is in a severe structural crisis and the public sector has grown too rapidly. Attempts are now being made to rectify this by way of the forces in the market place, he said.

All of the 1980's

In Sweden we have decided to conduct a tough policy of restraint which forces down demand, Bohman said when he presented the Swedish belt-tightening policy to the Finnish journalists. Our worst problem is the foreign trade deficit, and we will need all of the 1980's in order to catch up, Bohman emphasized.

When the first bourgeois government was formed in 1976 an acute crisis prevailed, Bohman said, but we attempted to change the policies in four phases. This was successful up to and including phase three! We succeeded in reducing the foreign trade deficit, we succeeded in getting production under way, we succeeded in reducing unemployment and we succeeded in cutting inflation in half. But then the government collapsed.

When the government fell we should have tightened the economy due to an increased cost of oil in the amount of 18 billion, but only a small party remained in the government and that party for obvious reasons was not able to pursue the policy of restraint which was necessary in 1979, Bohman said.

Behind the acute crisis lay the structural crisis, and that crisis was due to the fact that expansion of the public sector was too rapid, consumption too great and that total saving had declined, Bohman said.

Conservative Wind

In his speech to the conservative group of the Swedish People's Party Gosta Bohman spoke of conservative winds and said that today's conservative wind has nothing to do with reactionary gale-force gusts. The conservative wind of today constitutes a rebirth of conservative and liberal values.

The currents in the Western world during the 1970's have not been a crisis of capitalism but a political-ideological crisis. A creeping crisis has gradually undermined the market economy which has been replaced by politically controlled economies.

A random socialism has grown up in Western Europe, because for the last 30 years the Social Democrats have wanted to leave their party-political mark on economic policy. They did not succeed in solving the conflict between planned economy and democratic market economy; neither one nor the other succeeded.

Two alternatives are available, in Bohman's opinion. One is the planless alternative, the other is that we pull ourselves together and change course in order to bring about a change in the social climate.

11949

CSO: 3109

END

102

**END OF
FICHE
DATE FILMED**

December 18, 1980

D.S.